

BACKGROUND REPORT

**GIVING YOUNG PEOPLE A GOOD START:
THE EXPERIENCE OF OECD COUNTRIES**

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Introduction

If, some twenty odd years ago, one had asked economists about the future of youth labour market problems most would have been rather optimistic. Demographic developments, sustained economic growth, employment shifts towards youth-intensive sectors and, for those left behind, targeted labour market programmes would contribute greatly to solving the problems identified in youth labour markets. Indeed, these were the conclusions of a major conference held by the OECD in 1977 (see OECD, 1978 in the bibliography).

Unfortunately, developments since then have not borne out this optimism. Despite sharp falls in the size of the youth population and the proliferation of programmes aimed at young people, many still face serious difficulties in integrating successfully into the labour market and youth unemployment remains a major political concern in most OECD countries. It also remains true, however, that countries vary greatly in the degree to which youth have difficulties in getting into jobs and constructing good “careers”, and in the relative sizes and composition of at-risk groups.

This paper presents an updated diagnostic of the youth labour market in OECD countries with a particular focus on trends and policy developments since the end of the 1970s. Section I provides a background analysis of the situation of young people in initial education and explores how young people are prepared to enter the labour market. An overview of the youth labour market is then developed in Section II in terms of labour supply, demand and earnings. Section III focuses on the transition from initial education to the labour market, both in the short-term and over a longer period. Finally, Section IV discusses the different strategies for improving youth labour market prospects.

The key issues addressed are: How to ensure more coherent educational, labour market and social policies to assist more young people to get a better start in life? How to develop more effective policies to deal with the specific problems facing disadvantaged young people? How to help more young people settle into good labour market careers?

I. YOUNG PEOPLE IN INITIAL EDUCATION

Introduction

While young people are staying longer in initial education, decreasing the proportion of school drop outs remains a concern in OECD countries.¹ The problem is more acute today because finishing not only compulsory schooling, but also upper secondary education has become a necessary, although not a sufficient, condition for finding a decent job. The minority of youths whose family background, schooling and communities do not equip them with the skills, qualifications, attitudes or motivation required by the labour market are particularly at risk of persistent or intermittent joblessness and a key issue is how to motivate them and make the educational system more relevant to them. The attitudes and living conditions of young people today are key elements to take into consideration (see Box 1).

This section takes stock of the current situation in OECD countries concerning school attendance rates. The following issues are examined: What has happened to school enrolment? To what extent are young people combining school and work? What is the impact of working while still in education in easing the initial transition from school to work? To what extent do youths leave school early without qualifications? What is the proportion of youths not attending school and not employed?

Box 1. **Stylised facts on the attitudes and living conditions of young people today**

1. **Young people are relatively happy, unless they are unemployed**

Despite deterioration in the youth labour market, young people in general seem optimistic about their future and expect to find an interesting job. They believe that employers attach great importance to qualifications. The attitudes and expectations of young people themselves are conventional: they want the transition to the labour market to lead to full-time jobs that are secure, interesting and well-paid (Bynner *et al.*, 1997). However, expectations have changed concerning gender roles. Young women's educational and career aspirations have become increasingly similar to those of young men.

Youths' positive attitudes towards life can be illustrated by the answers they give in opinion surveys to questions such as: "On the whole, are you very satisfied, fairly satisfied, not very satisfied, or not at all satisfied with the life you lead?". In the Spring 1998 Eurobarometer survey, 84% of all Europeans aged 15-24 years answered that they were very or fairly satisfied compared with 79% of Europeans aged 25 years and over. A critical distinction, however, depends on whether they are unemployed or not. Between 1975 and 1996, in the European countries, 87% of employed young adults were very or fairly satisfied compared with only 67% of the unemployed. This result is statistically highly significant controlling for the age, gender and country.

While the percentage of employed Europeans who are very or fairly satisfied remains roughly constant across age groups, the percentage among the unemployed decreases with age (Table 1).

Importantly, young unemployed people are more likely than other young people to express how important work is in a person's life (Table 2). This stresses the fact that the unemployed clearly would like jobs and do not view work as simply a casual or marginal activity (Oswald, 1997).

2. Youth tend to live longer with their parents now, particularly in southern Europe

In the mid-1990s, almost all teenagers lived with their parents (Table 3). Finland is one exception: only about one-half of those aged 15 to 19 years still live with their parents.² In their early twenties, on average two-thirds of young men and one-half of young women stay on in the parental home. After the age of 25, up to 40% of young men still live with their parents compared with only 25% of young women. Over the past decade, the situation has not changed much for teenagers. Concerning 20-24-year olds, however, in most countries young people are staying on longer in the parental home, particularly in southern Europe.

According to the Spring 1997 Eurobarometer survey, when asked why they thought young people were living at home with their parents longer than they used to, almost three-quarters of those aged 15-24 said the main reason was that they could not afford to move out³ (Table 4).

3. Youths get most of their income from their parents

Almost one-half of young people get most of their income from their parents (Table 5). For 40% of them, the main source of income is from regular work. Casual work is another way of earning money, particularly in Luxembourg and the Netherlands. The social security system is relatively unimportant as an income source, except in Ireland, Finland and the United Kingdom.

4. There may be specific difficulties facing young people living in “jobless households”

Financial dependency on parents is not necessarily an ideal arrangement when nobody has a job in the family. This is not solely a concern for the financial welfare of young people, but there are also issues of family tensions and the nature of day-to-day contacts of people in jobless households with the labour market which may affect their future job prospects. For example, in the United Kingdom, young people with unemployed parents face a substantially higher risk of unemployment themselves (Payne, 1987; Raffe, 1988; Gregg and Machin, 1998). Factors such as poor school attendance and growing up in a family in financial distress matter a lot as empirical research suggests that poverty begets poverty.

Table 6 shows the proportion of unemployed and inactive youths in households where no other person is employed. In all countries, unemployed teenagers are more likely to live in households where nobody is in employment compared with teenagers not in the labour force and who are very likely in education (in fact, for many, participation in education may be contingent upon others in the household having paid work). Unemployed and not in the labour force young adults aged 20-24 years are both confronted with very similar probabilities of being in jobless households (around 30%).

The proportion of young unemployed in households with no other person employed increased slightly between 1985 and 1996 in most countries. However, the risk is quite dissimilar among OECD countries: the share of unemployed youths aged 20-24 in households where nobody is employed was, at over 40%, highest in Finland, Ireland and the United Kingdom. The lowest proportions, in the order of 16 to 25%, were recorded in the southern European countries, Austria, Mexico and Switzerland.

A. School attendance among teenagers and young adults

In many OECD countries, education to at least the upper secondary level is fairly standard and increasing numbers of students are continuing education into their early 20s. In 1997, the proportion of teenagers attending school was, on average, 79%, ranging from a high of 90% in France and Germany to a low of 54% in the United Kingdom (Figure 1). For young adults, the proportion attending school was, on average, 37%. The proportion of youth attending school has risen for both genders over the past decade. (The only exception is male teenagers in the United Kingdom.)

Combining school and work

The biggest change for teenagers over the decade was a growth in the proportion remaining in full-time education and a quasi-stabilisation of those combining education with employment. Figure 1 shows that in 1997, on average 17% of 16-19-year olds were studying and working (16% in 1987), while 61% of them were only studying (52% in 1987). This evolution is almost identical for young adults.

However, the situation varies greatly across countries. In general, combining education and work is relatively common in countries which have either a dual-system apprenticeship programme (Austria, Denmark and Germany) and/or a relatively high incidence of part-time employment (Australia, Canada, Denmark, the Netherlands, the United Kingdom and the United States). Combining school and work was the most common situation for teenagers attending school in the late 1990s compared with full-time studying in only two countries: a high-attendance country such as Denmark where about one-half of 16-19-year olds were working while studying, and a low-attendance country such as the United Kingdom where nearly 30% of teenagers combine both. In these two countries, but also in Australia and the Netherlands, young adults still attending school more often combine work and study. In contrast, the phenomenon of teenage working students is almost non-existent in Belgium, France, Greece, Italy, Portugal and Spain.

One concern about the part-time working of students is the possible impact on their academic performance and final educational attainment (OECD, 1998e). However, the evidence suggests that *overall* there is no tendency for students in part-time jobs to do less well academically than those who do not work. The impact depends partly on the number of hours worked. Several studies indicate a link between poorer attainment and part-time work among students who work for more than 10 hours per week (McKechnie *et al.*, 1998; Robinson, 1998).

There is considerable debate, but little actual research, on the impact of school-work combinations on long-term success rates in integrating into employment and constructing good careers.⁴ Ruhm (1997) suggests for the United States that the positive effects of in-school work experience are larger for those who leave the education system after high school than for those who go on to higher education. He also finds that working while in school is more prevalent the more advantaged one's family background, a finding not replicated in British research (Dustmann *et al.*, 1996). In France, full-time university students – the case of 60% of university students less than 28 years old – fare better than part-time attendees in obtaining a good job after leaving university (Béduwe and Cahuzac, 1997).

Early school leavers

Early school leaving without any qualifications increases the risk of exclusion and of poor labour market prospects. The difficulties experienced by early leavers today seem more acute compared with the past several decades. In the United States, high-school drop outs in the cohort entering the labour market in the early 1980s and followed through the early 1990s were more likely to be intermittently unemployed and to rely on part-time jobs for a greater number of years than the ones in the cohort entering the labour market in the late 1960s (Bernhardt *et al.*, 1998). In France, early school leavers without the general *Baccalauréat* fared worse in the late 1990s compared with the late 1980s, mainly because of the rise in unemployment and despite permanent public intervention on the youth labour market (Werquin, 1997).

Early school leavers can be *roughly* approximated by the proportion of teenagers not attending school⁵ (Figure 2). Their numbers are substantial in many countries, although there is wide variation. Teenagers not attending school account for, on average, one in five of the age group. They are strongly over-represented in the United Kingdom and Australia where the proportions are 44 and 35%, respectively. Nonetheless, the proportion of teenagers not attending school has decreased everywhere (except for males in the United Kingdom) over the past decade. There is no strong differentiation by gender within countries.

The issue is linked to the emergence of a hard core of young people who are disaffected with the institutions of education and the labour market, and who face a high risk of unemployment and social exclusion. A report on the 1970 British Cohort Study among those aged at 26 years identified three broad groups, who were, respectively, “getting on, getting by, and getting nowhere” (Bynner *et al.*, 1997). Many current concerns focus on the latter group of young people, who face prolonged unemployment or at best employment that is low-paid, insecure and intermittent. They are disadvantaged by their lack of qualifications and basic skills, often compounded by other disadvantages such as poverty, family breakdown, single parenthood, homelessness, poor physical and mental health or a criminal record, or by external problems such as racial or gender discrimination or a lack of local job opportunities. In several countries, such as Canada, concern has been expressed about high and rising proportions of young boys among the population of at-risk youths (Morissette, 1998).

Young people neither in education nor in a job

Figure 3 shows data on a group of young people of policy relevance: those who are not attending school *and* are not employed.⁶ However, those young people neither in education nor in the labour market are quite heterogeneous, and it should not be assumed that all of them are experiencing difficulties in the transition from school to work. Some young people may “drop out” of both education and the labour market in order to travel or to undertake community service. However, in most cases, this indicator can be regarded with some confidence as one measure of transition difficulties.

This group includes both the unemployed as well as those who may have become discouraged from actively seeking work. Teenagers neither in education nor in a job accounted for, on average, 9% of the age group in 1997 compared with 12% in 1987. The proportion of teenagers not attending school and not employed is much higher than the OECD average in the United Kingdom, Italy, Spain, Australia and Greece. In general, teenage girls outside of the education system have a higher rate of non-employment than teenage boys, but this gap has narrowed substantially over time, particularly in the southern European countries. Whereas there has been a decline in these rates for teenage girls in all but one country (the United Kingdom) over the past 10 years – reflecting a broader pattern of rising education rates – there have been either small declines for teenage boys or even increases, most notably in the United Kingdom, despite a proliferation of programmes designed to help youths get into jobs. In most countries, the decline has been the result of increases in youths staying on in school (see Figure 1) rather than because more have found jobs.

For young adults, the contrast by gender is starker. Many more women are not in the labour force than men although there is little difference by gender in the proportions of the age group who are unemployed. In general, the same trends apply for teenagers, with declines in the proportion of women neither in education or a job in almost all countries.

Young people with low educational qualifications

As completion of upper secondary education – at almost 75% in the OECD as a whole – has become more the norm in many OECD countries, young persons who fail to complete this level can find themselves particularly penalised in the labour market (OECD, 1997b). For example, the unemployment rates of young

adults aged 25-29 with low educational attainment are much higher compared with those with attainment at the tertiary/university level. On average in 1996, young adult men with low educational attainment had an unemployment rate of 16% while those with tertiary/university schooling had a rate of about 8% (the respective rates for young adult women are 20 and 9%; see Table 7). Young adults with a university/tertiary education have, however, the highest unemployment rate compared with lower educational attainment in Greece (men only), Italy, Korea and Portugal (men only).

The proportion of 25-29-year-olds who have not completed upper secondary education is still substantial in many countries, although there is wide variation (Figure 4). On average in 1996 almost one in four lacked qualifications beyond the end of compulsory schooling, ranging from over three in four among Turkish women to less than one in ten in Norway, Switzerland (men only), the Czech Republic and Korea.

The reduction in the numbers of young adults with low skills (see Figure 3.2 in OECD, 1998c) has improved neither their relative nor their absolute chances of success in the labour market. Instead, their position has deteriorated as they constitute a smaller and more stigmatised minority who cannot provide evidence of knowledge, competencies and prior work experience; this often leads to a cycle of joblessness interspersed with unstable jobs (OECD, 1998b). For example, in the United Kingdom, as fewer people enter the labour market at the age of 16, those who do so are increasingly seen as the least able.⁷

B. Education and employment activities at key transition ages

A useful initial way to characterise the transition is as the change in the activities of young people from school-going to working/seeking work as they age. It is the time interval during which a cohort of young people moves from near-full enrolment in education to negligible enrolment and from negligible labour market activity to a high level of activity (Galland, 1997; INSEE, 1995, 1997). It can also involve frequent movements between education, the labour market and other activities.⁸ In many OECD countries, young people's transition is now beginning at a later age and it is taking longer than a decade ago (OECD, 1996b; OECD, 1998d).⁹ As Freeman (see p. 89 in this volume) has expressed it, the "young" today are older than they were several decades ago.

The reasons for a delayed age of entry to full-time work are complex. First, poor job prospects, as exemplified by high youth unemployment rates and falling youth employment rates, have had an influence on the propensity of young people to continue their studies beyond compulsory education. Second, young people are staying on longer in education because it can represent a sound investment in their future. Third, many countries have made substantial efforts to reform curricula and teaching methods so that schools are more attractive to a wider span of young people. Finally, systems of public financial support are increasingly designed to make education a more attractive option than unemployment and inactivity.

An overview of young people's education and employment activities at the ages of 18 and 22 provides a starting point to understanding the different nature of the problems. These ages are key in the transition: the age of 18 roughly represents the end of upper secondary education and the age of 22 the end of the first stage of tertiary education.

Table 8 shows how many 18- and 22-year-olds were in education/training, in employment only, in both or in neither in 1984 and 1997. In 1997, on average, 56% of the cohort of 18-year-olds were in full-time education while among 22-year-olds 46% were in employment only. Thus, education and employment are quite separate activities at ages 18 and 22 for many young people. In terms of the OECD average, the trends over the period are the same for both: a strong increase of youths in full-time education and a much smaller increase in the proportion of those combining education with employment; conversely there has been a strong decrease of those in employment without studying and a smaller decrease of those neither in education nor in employment.

Education and employment activities are partly shaped by national characteristics and policies. In several countries, many young people combine education and work, while in others this is rarely the case. Belgium and the United Kingdom exemplify this contrast. In Belgium, youths rarely work while in school: in 1997, 85% of teenagers aged 18 were in full-time education, only 1% combined education with employment and 3% were in employment only. In the United Kingdom, quite a large proportion of teenagers are working: 18% of those aged 18 were in full-time education, 30% combined education with employment and 38% were only in employment. But interestingly, in both countries, there exists a sizeable group at risk of social marginalisation which is composed of teenagers not in education nor in employment; this group accounted for over 20% of the teenage population in the United Kingdom in 1997 compared with about 12% in Belgium.

Table 9 provides a complementary picture of the schooling and labour market statuses of young persons aged 18 and 22 by gender in 1984 and 1997. The data show large variations across countries in transition patterns, *e.g.* the different proportions in school and the high proportion of young persons in vocational training/apprenticeships in Austria, Denmark and Germany. They also show a general pattern of increases over the period in school attendance and of declines in employment/population ratios.

II. OVERVIEW OF YOUTH IN THE LABOUR MARKET

Introduction

Despite declines in the relative size of the youth cohort (see Box 2) and increases in the level of educational attainment in the past two decades in most OECD countries, the employment and earnings of young people have not improved. Youth labour force participation and employment rates fell across a large number of OECD countries over the period, and the earnings of young workers declined relative to those of older workers in most countries. In several countries, the deterioration of the position of youths on the labour market shows up mainly in relatively high unemployment rates and low employment/population rates. In others, it shows up mainly in falling relative wages for young workers. But in most countries, there is a group of disadvantaged youths facing both kinds of deterioration. Only part of this is due to rising education enrolments as the largest negative trend in employment is among young men not in education (OECD, 1996a). Box 4 at the end of the section (see pp. 17-18) puts together key stylised facts about school-leaving and labour market outcomes for young people today compared with the late 1970s/early 1980s.

Box 2. The “baby-boom” has turned into a “baby-bust”

Over the past two decades, the size of the youth cohort relative to that of the working-age population has fallen significantly in most OECD countries (Figure 5). In 1997, youths accounted for 22% of the OECD working-age population, ranging from a low of 17% in Switzerland and Germany to highs of nearly 35% in Turkey and Mexico. In all but two cases, the Czech Republic and Hungary, the youths' share fell over the two decades from 1977. From 1977 to 1997 the average relative decline in the youths' share of the working-age population was about 5 percentage points.

A. Youth participation, employment and unemployment rates

Tables 10 to 12 assess the youth labour market over the past two decades in terms of the classic indicators of labour supply and demand. These data highlight falling participation (Table 10) and employment rates (Table 11), and rising unemployment rates (Table 12). They also reveal wide differences across countries in the levels for persons under the age of 25 years. For example, in 1997, the participation and employment rates of French, Belgian and Korean male teenagers were under 10% compared with almost 70% in Denmark. The differences are somewhat smaller among those aged 20-24 years: the participation/employment rates range from lows of 54/41% for young men in France to highs of 86/81% for young men in Mexico. Participation/employment rates also differ between young men and women: on average in 1997, the gender gap was about 5 percentage points for teenagers and 11 percentage points for the 20-24 age group.

With few exceptions, teenage and young adult unemployment rates are in double-digit figures, and were higher in 1997 than in 1979. Once again, there are large cross-country differences in levels: in 1997, only Austria (men), Denmark, Germany, Japan (women), Korea (women) and Mexico had teenage rates under 10%, while unemployment rates of 35% and over for women were recorded in Belgium, France, Greece, Italy, Poland and Spain (men also).

The trend in unemployment partly reflects the economic cycle, with a boom in the late 1970s and late 1980s followed by a recession in the early 1990s (see Box 3). Over the peak-to-peak period of 1979 and 1989, only in Australia, Canada, Finland, France (women only), Portugal, Sweden and the United States (women only) were declines recorded in teenage unemployment rates; in almost all cases, the declines were modest. In 1997, youth unemployment rates were higher almost everywhere than in 1989.

The need to look beyond unemployment rates in order to gauge youth labour market problems properly is widely recognised (OECD, 1996a, b; EUROSTAT, 1998). When teenagers have low rates of labour force participation and high enrolment rates in education, unemployment rates for this age group refer only to early school leavers. Moreover, they may show a rise even if the proportion of the teenage population that is unemployed has declined.

Box 3. Youth employment and unemployment rates are very sensitive to cyclical fluctuations

OECD (1996a) showed that the youth labour market is very sensitive to the overall state of the economy. Estimates of the effect of aggregate labour market conditions on youths in three states – the per cent in education; the per cent employed; and the per cent in the labour force unemployed – were computed by regressing the proportion of each age-gender group from 16 to 29 in each state on the rate of unemployment; a gender dummy; age dummies; and a time trend (see Table 4.18 in OECD, 1996a). Pooling all the countries together, schooling is positively related to unemployment, implying that increases in unemployment lead to increased enrolments, but the very diverse country results belie any easy generalisation. By contrast, there is little ambiguity as to the effect of aggregate unemployment on the proportion of a cohort working or unemployed. The proportion employed falls with unemployment in most countries, with the absolute value of the coefficient often greater than one. The proportion of the cohort unemployed is similarly positively related to aggregate unemployment with a coefficient greater than one almost everywhere. OECD (1996a) also showed that as young people get older, the proportion employed or unemployed becomes less sensitive to aggregate economic conditions.

Hence, some analysts argue that it is important to complement the conventional unemployment rate with the youth unemployment/population ratio. Figure 6 shows both indicators. For the majority of OECD countries, less than one in ten youths were unemployed in 1997. On average, in 1997, 6% of teenagers and 9% of young adults were unemployed by this measure. The two indicators differ mainly in countries where few young persons are in the labour force. Switching from one measure to the other results not only in a substantial change in levels, but also in the ranking of countries.¹⁰ France is a good example because of its relatively low youth participation rate (see also Marchand and Minni, 1997). France has one of the highest youth (15-24) unemployment rates among OECD countries after Spain, Italy and Greece, but comes out better than Finland, Australia, Canada, Poland, Sweden, the United Kingdom and New Zealand when the unemployment/population ratio is considered.

Figure 6 shows another dimension to unemployment, its *duration*. It should be borne in mind that duration refers here to a continuous spell of unemployment rather than repeated spells. Multiple-spell unemployment is, however, very frequent among young people who alternate joblessness with periods of insecure employment or discouragement. The incidence of long-term unemployment (a spell of 12 consecutive months or more) is shown for each country by the lighter colour.¹¹ The incidence rises as youths grow older: on average, one unemployed teenager in six is in long-term unemployment compared with one unemployed young adult in three. There are, however, huge cross-country differences. In most countries, the majority of unemployed youth (aged 15-24) have been in a spell of unemployment for less than 12 months, except in Italy and Greece (women only).

B. Youth earnings

This section highlights the relative position of youths by examining their earnings relative to those of adults, to those paid in low-wage jobs and to statutory minimum wages.¹² Evidence on earnings mobility is also considered. Low-wage jobs can be a step to a better-paying job but they may also recur and alternate with no pay.

Age-earnings profiles

As youths grow older, they gain experience and earn more. The progression may be slow or fast according to the country and/or the year of entering the labour market. Figure 7 shows the age-earnings profiles for full-time workers by gender for three cohorts in eight countries for which data are available. Three features are worth noting. First, the profiles of young women start at a lower level than young men and have a much flatter slope, except in Australia and the Netherlands. Second, young men in Japan and in France have the steepest profiles. Third, in the seven countries for which recent data are available, the most recent (1995) cohort fares somewhat better than the older ones concerning the level of earnings between 20 and 24 years of age, except in the United States and Australia (young men only).

There is a clear story about youth earnings being persistently low relative to older workers' earnings – between 40 to 80% lower depending on the period and the country (Figure 8). Mean earnings for youths aged 20-24 years in full-time jobs in the late 1970s ranged between a high of 80% of mean earnings of workers aged 35-44 years in Australia to a low of 40% in Korea. The change over the following two decades was in opposite directions in these two countries, a decrease to 68% in Australia and an increase to 50% in Korea. From the late 1970s to the late 1990s, the earnings of youths relative to adults fell in a number of countries for which data are available (the United Kingdom, the United States, Sweden, Canada, New Zealand) or remained stagnant in others (France, Germany, Japan, Finland, the Netherlands). These changes occurred despite national differences in wage formation, a common pattern of decline rather than increase in the size of the youth cohort and an increase in the educational levels of young people relative to adults. As Freeman (see p. 89) has stressed, the decline or stagnation in the relative earnings of young people over the past two decades is quite an unexpected result given that basic economic forces that affect youth wages, including shifts in demand or supply of youth labour and skills, actually went in the opposite direction.

Low-paid jobs

Table 13 shows the likelihood of young workers being in low-paid employment.¹³ On average across the 14 countries, nearly 40% of young workers are low paid, but the variation across countries is striking: 63% of all full-time employed youths in the United States are in low-paid jobs compared with under 20% in Austria and Sweden. Given that the overall incidence of low-paid employment varies considerably across countries, it is difficult to discern whether it is much more concentrated amongst youths. An indicator of concentration that abstracts from country differences in the overall incidence of low pay can be constructed by dividing the incidence for youths by the overall incidence of low-paid jobs (column 3 in Table 13). A value greater than one indicates that the risk of low pay for young people is greater than the average risk for all workers. As would be expected, young workers face a much higher-than-average incidence of low-paid employment in all countries.

However, this finding relates to “point-in-time” comparisons and does not allow one to infer anything about mobility in the earnings distribution and how this differs for different age groups. OECD (1997a), drawing on longitudinal data covering six countries (Denmark, France, Germany, Italy, the United Kingdom, and the United States) over the period 1986 to 1991, showed that low-paying jobs are often a stepping stone to better paying jobs, though many also move from low-pay to no pay.¹⁴

Youths are particularly likely to have been low paid at least once during 1986-1991 and at the beginning of the period when they were youngest (Table 14). However, they move up the earnings distribution more rapidly than older workers, causing their “always low-paid rate” to fall relative to older workers. This pattern holds in all of the countries examined, but is particularly strong in Germany: workers less than 25 in 1986 were four times as likely as all workers to be low paid in that year, but only nearly as likely as all workers to be always low paid during 1986-1991. The United States stands out as having the highest incidence of low-paid employment for youths among the six countries under review: nearly one-half of youths were low paid in 1986, 61% of youths had been in a low-paid job at least once during the five-year period and 14% were always low paid during the whole period. The average cumulative years in low-paid employment is also particularly high in this country. Young workers in the United States who were low paid in 1986 on average accumulated roughly four additional years of low pay during the next five years compared with less than two additional years in Denmark. Persistence in low pay is also high in the United Kingdom. In recent years, both the United Kingdom and the United States have experienced much greater increases in earnings inequality than other OECD countries and persistence in low pay is greater where inequality is greater.

Statutory minimum wages

Youths are much more likely than adults to be in minimum-wage jobs because they generally have less labour market experience than other workers. On the one hand, minimum wages narrow earnings differentials across demographic groups, particularly between the young and the old, and countries with relatively high minimum wages have less earnings inequality and a lower incidence of low pay. On the other hand, if the minimum wage is set at too high a level, young workers may be most vulnerable to job losses.

Indeed, one of the strongest criticisms of minimum wages is that, to the extent they are set at above market-clearing levels, they will price some people with low productivity – and particularly young workers – out of jobs. The econometric evidence reported in OECD (1998*b*) for nine countries (Belgium, Canada, France, Greece, Japan, the Netherlands, Portugal, Spain and the United States) over the period 1975 to 1996 showed that a 10% increase in the minimum is associated with a 1.5 to 3% decline in *teenage* employment, with no impact on young adults. However, the evidence also shows that hikes in the minimum, on their own, can explain only a very small fraction of the large observed falls in teenage employment rates over the past two decades in almost all countries.¹⁵

One solution to minimise the potential disemployment effects of a minimum wage on young people is to allow for sub-minimum rates differentiated by age. Over one-half of the seventeen countries¹⁶ which currently have a statutory or national minimum wage apply a reduced rate for young workers.¹⁷ Two features in the setting of these lower rates for young workers are worth noting. With few exceptions, the differential (*i.e.* the gap between the adult minimum and the special youth rate) is quite small – usually about 10-15%. It also applies typically to those aged 18 years and less.

Box 4. Stylised facts about school-leaving and labour market outcomes for young people today compared with the late 1970s/early 1980s

They are more educated...

- More youths remain in education beyond compulsory schooling: on average across OECD countries 34% of youths aged 22 were attending school in 1997, compared to 19% in 1984.
- Consequently, there are fewer early school leavers. For instance, the proportion of 18-year-olds not attending school was 33% in 1997, compared with 50% in 1984.

- There are also slightly fewer youths neither in initial education nor in a job: 14% of 16-24-year-olds were not at school and not employed in 1997, compared with 22% in 1984.

- Young people facing the largest barriers to a stable entry into the labour market are more and more those who complete school with qualifications ill-suited to employment or drop outs with no qualifications.

... but their labour market prospects have not tended to improve

- Youth employment rates are lower: in 1997, 44% of the 15-24-year-olds were in employment, compared with 52% in 1979.

- Out-of-school young men have fared particularly badly, as evidenced by a strong trend decline in their employment prospects.

- The employment gap between the youth cohort and the adult cohort has widened.

- Youths in the labour force are more likely to be unemployed: the OECD average unemployment rate for 15-24-year-olds was 16% in 1997, 4 percentage points higher than in 1979.

- While the experience of unemployment is widespread, it is highly concentrated among a disadvantaged group of young people.

- Youths are confronted with stagnant or declining earnings relative to adults, a rather unexpected twist that could have major longer-term consequence in terms of lifelong earnings.

Persistencies across the past two decades

- Transition processes and outcomes differ greatly by country, gender and, often, educational level.

- In many countries, being in full-time education is more common than combining education and work.

- Combining work with schooling is a feature either of apprenticeship countries or of countries with a relatively high incidence of part-time employment.

- Teenage and young adult women perform better at school and have seen a long-term trend increase in their employment prospects compared with their young male counterparts.

- Apprenticeship/dual-system countries clearly do better at getting young people a firm foothold in the labour market.

- Those who fail to get a firm foothold in the labour market form a “hard core” of disaffected young people, a stigmatised minority with cumulative disadvantages, often related to intergenerational factors such as poverty, unstable family backgrounds and life in communities with high overall unemployment.

III. GETTING STARTED, SETTLING IN: A VIEW OF THE TRANSITION FROM INITIAL EDUCATION TO THE LABOUR MARKET

School-to-work transition processes differ sharply across countries, mainly in terms of the time it takes to get into the first job and the amount of labour turnover involved in settling into steady employment. This section will consider the integration of young people only after they have left the education system and will focus on the short-term and longer-term effects of getting started and settling into the labour market.

A. Job prospects one year after leaving initial education

A central issue is how do youths fare once they do leave the education system? OECD (1998*b*) shed some light on this question by focusing on the labour market outcomes of young people one year after leaving initial education, so-called “new school leavers”. “Starting off” in the labour market as unemployed is the case, on average, for one new school leaver in four in OECD countries. The study highlighted that new school leavers on the right track one year after leaving school are those fortunate enough to have a higher level of education and to enter the labour market in a good year. While the job prospects of new school leavers are highly sensitive to the overall state of the labour market, institutional factors matter as well. A range of factors apart from the education system appears to be associated with country differences in the employment rates of new school leavers. Higher employment rates are associated with lower adult unemployment rates, more centralised/co-ordinated systems of wage bargaining and with a strong dual system of vocational education and training.¹⁸

Cross-country differences are very large. In Germany, Luxembourg, Austria and Denmark, countries with long-standing and highly-developed apprenticeship systems, over three-quarters of young people aged 16-24 years in 1996 were in employment one year after leaving education, whereas less than one-third had a job in Finland and Italy (Figure 9). Over the period 1987 to 1996, only Germany and Ireland posted a significant increase in the proportion of new school leavers finding employment, with the other countries reporting at best a stabilisation, at worse a decline. The deterioration over the decade was particularly marked in France and Greece.

Difficulty in the transition process can be observed not simply in the form of joblessness, but in extended periods after leaving full-time education being spent in temporary, casual or part-time work. Insecure employment is often interspersed with spells of unemployment and with participation in remedial and short-term labour market measures. There have been substantial changes in the types of entry-level jobs available to youths. A common trend, the strength of which varies across countries, is the decline over the past decade in the proportion of new school leavers going directly into permanent, full-time jobs. For those with a job one year after leaving school, it is more often than before a temporary job – in one-third of the cases because the contract covers a period of training – and a part-time job, very often voluntary, in order to combine education and work (Figure 9).

B. A longer-term view of the transition from initial education

The previous sub-section took a short-run perspective to youth insertion into the labour market. The purpose here is to extend that analysis by following youths over time after they leave the educational system permanently using longitudinal data for Australia, France, Germany, Ireland and the United States (see OECD, 1998*b* for information on data sources and methods).¹⁹

The main questions addressed are: What are individuals' employment and unemployment experiences over a three to six-year period after permanently leaving initial education? How does that experience vary across countries and levels of educational attainment? How much time do youths spend employed and is there any evidence of "persistence" in labour force status? Is unemployment widely spread or concentrated among a minority who spend a lot of time out of work?

Incidence of employment and unemployment – the first three to five years after permanently leaving education

Tables 15 and 16 record the evolution of employment and unemployment rates for this select group of *permanent* school leavers. Concerning employment, three tendencies are apparent. First, with the exception of Germany, there are large differences in *first-year* employment rates by educational attainment, with rates increasing in line with qualifications. American youths with less than an upper secondary education (*i.e.* high-school dropouts) have quite low employment rates.²⁰ Second, there are gender differences. Women's employment rates are lower than men's, with the absolute differences generally greater at lower levels of educational attainment (the exception is Irish women with some university/tertiary education). This gap is particularly pronounced in Australia and the United States. Finally, the rates tend to rise over time and the absolute gap between those with less and more education does narrow, especially for young men. However, differences do persist: five years after entering the labour market, between 13 and 25% of young men at the lower end of the education scale are not employed compared with only 1 to 13% of those with some university/tertiary education.

Box 5. Recourse to youth labour market measures in France

France is an interesting case because it is the one country for which the data set contains information on participation in subsidised jobs and, as will be emphasised below (see Section IV), such measures add an important dimension to understanding youth labour markets. The first year after leaving school one-third or more of French youth without even the general *Baccalauréat* were employed in subsidised jobs. Other research shows that fully one-half of this cohort went through at least one programme (Werquin, 1997). Although employment rates for this group of new school leavers change little over time, recourse to programmes declines dramatically, while integration into jobs with a permanent contract tends to increase, though fully one-third never obtained such a contract. Not surprisingly, French research has shown that programmes close to regular employment, *e.g. contrats de qualification*, have a higher probability of leading to regular jobs (DARES, 1997).

Some of the tendencies observed with employment are also mirrored in unemployment rates (Table 16). The latter, as in cross-section data, decline as educational qualifications increase. But, there are again large differences across countries, which are more pronounced at lower levels of education. There is, however, no uniform tendency for unemployment rates to decline over time among less-educated youths, except in Australia and the United States.

Time spent in work

The evolution of employment and unemployment rates over time is only one part of the picture of how well or poorly youths become integrated into the labour market. The total amount of time spent in jobs or job-seeking, and whether or not there is persistence in status are also important elements in any judgement about getting a firm foothold in the world of work.

Table 17 shows the average time spent in employment. The figures are calculated conditional upon whether these youths were employed, unemployed or not in the labour force in their first year in the labour market. The closer the values are to one, the closer are these youths to having been continuously in work at the moment of each of the three to six annual interviews [the Irish data, however, refer to the total time spent employed over a 36- (university/tertiary) and a 60-month period].

The overall results are clear. Irrespective of education or gender, getting a job in the first year after permanently leaving school is associated with a greatly increased likelihood of being employed at the moment of each annual interview compared with youths starting off without a job. To some degree, this “persistence” is also higher among the more educated, though the difference is small.²¹

In terms of these youth cohorts overall, the figures in columns one and six of Table 17 should be combined with the very large cross-country differences in employment rates in Table 15. Thus, while youths who do start the transition in a job spend a similar cumulated amount of time in employment in all countries, this covers a significantly larger proportion of youths, especially those with fewer educational qualifications, in Germany, France, and to some extent Ireland, compared with Australia and the United States.

Starting off unemployed or not in the labour force leads to significantly less cumulated time spent in employment over the three to five-year period. There are, however, some cross-country and cross-education differences. Whether the experience of unemployment itself causes further unemployment – the so-called “scarring” hypothesis – has been the subject of considerable debate and some empirical research. Although the evidence is not conclusive, the balance seems to lean towards some evidence of a scarring effect (Franz *et al.*, 1997; Gardecki and Neumark, 1997; Werquin *et al.*, 1997). Though the data in Table 18 cannot be used to prove rigorously that early problems in finding a job *cause* later problems, they do point in this direction.

Another dimension of persistence is shown in Table 18. It records the *distribution* of employment and unemployment. Very few young men, regardless of educational background, were never employed. However, the distribution shows large cross-country differences. At the lower end of educational attainment, over 85% of German men and over 75% of German women were in work during at least four of the annual surveys (these figures are obtained by adding the proportion employed for four and five periods). This compares with 70% for Irish men and 50% for Irish women, and 69% for French men and 63% for French women. The equivalent proportions are much lower for young men and women in Australia and the United States with less than upper secondary education. As educational attainment increases, these cross-country differences diminish among both genders. Results are, not surprisingly, similar for time spent unemployed. Multiple “periods” of unemployment are far more prevalent among American, Australian and French youths. In all countries, the likelihood of being unemployed at any of the survey dates declines with educational attainment.

A useful summary measure which highlights these large differences is to compute how much of this three to five-year period is spent in employment on average. For men with less than upper secondary education in both Australia and the United States, only about two-thirds of the period was spent in work compared with almost 90% in Germany. Moreover, in the first two countries the distribution is highly unequal, with roughly one-half of the total time spent in employment being accounted for by just one-third of these youths. In France, where a six-year period is considered, men with less than upper secondary education spent only half of the total period in employment. The distribution is also highly unequal, with one-half of the total time in employment being accounted for by a little more than one-quarter of these French youth. Box 6 takes a somewhat different look at the experience of unemployment, in particular its concentration over time.

Box 6. How concentrated is unemployment over time – a longitudinal perspective of the French, German and American experience?

Many analysts, when focusing on youth unemployment, see it as a very dynamic process. Part of the reason for this stems from the fact that at any point-in-time youth are, in almost all countries, less likely compared with adults, to be long-term unemployed. Job-search models and models of “normal turnover” also often give the impression that much youth unemployment is of a short-term, and hence not very costly, nature.

However, this subsection, following the seminal work of Clark and Summers (1979) and OECD (1984), argues that these theses are a misleading characterisation of much youth unemployment. Instead, much of the observed high rate of youth unemployment is the result of some youths experiencing prolonged spells without work.

In order to shed some light on these issues, this subsection again makes use of longitudinal data.²² However, unlike the preceding analysis, this subsection has reconstructed the entire unemployment history of youths from retrospective questions to the annual surveys. Thus, for Germany and the United States, the full five-year-period since permanently leaving initial education has been used to calculate the entire time unemployed. For France, unemployment histories have been calculated for a 78-month-period, although these data refer only to the cohort who left the education system at less than the upper secondary level.

Table 19 shows how widespread the experience of unemployment was over the time period. There are three important messages. First, regardless of level of education or gender, it is much more common among American and French youths compared with their German counterparts. Among all American youths in the sample, over one-half had experienced some time unemployed compared with only 28% in Germany. Second, there is no significant difference within countries between young men and women. Third, the experience of any unemployment declines substantially by level of educational qualification, with the drop in unemployment experience being much greater in the United States than in Germany.

Unemployment could be widespread among young people because many of them experience short bouts out of work. However, Table 20 suggests that this would be to misread the actual situation. The apparent concentration of unemployment is shown in detail by looking at the distribution, in months of unemployment.

Among all Germans, the 1.6% of the population who experienced at least two years of unemployment, accounted for 25% of all weeks of unemployment over the five-year period. Similar results are clear for the United States. This degree of concentration is difficult to reconcile with an often expressed view that the main problem of youth unemployment arises from many brief spells of being out of work interspersed by short-term jobs. A key problem, instead, seems to be a semi-permanent mismatch between the capabilities of some young workers and available job opportunities.

There are some differences by level of educational attainment. France is interesting because one-third of the population with less than secondary education experienced two or more years of unemployment (the corresponding figures are 2.8 and 7.2% in Germany and the United States, respectively) accounting for over 60% of all weeks of unemployment (this compares to around 30% in both Germany and the United States). Bearing in mind that unemployment is more widespread among less educated youth, comparing its concentration across levels of education reveals only small differences. In Germany, concentration is little different between those with less than upper secondary and those with completed upper secondary education, while concentration tends to decline a bit among Americans. That said, overall higher levels of education are no guarantee of quickly finding stable employment for all.

IV. STRATEGIES FOR IMPROVING YOUTH LABOUR MARKET PROSPECTS

Introduction

A diagnosis of problems does not immediately lead to coherent policy strategies to solve them. Thus, this section looks at the overall approaches of governments towards youth labour markets, and describes some of the main policy initiatives taken in recent years which are oriented towards improving the school-to-work transition and the access of youths to the regular labour market. Policy in this domain typically straddles the responsibilities of the education, labour market and social welfare authorities, and combines interventions on both the supply and demand sides. On the supply side, policy focuses on the development of young people's employability through school curricula development, the strengthening of the links between education and work, study incentives, remedial training and career counselling. On the demand side, wage-setting and other labour market arrangements may be altered with a view to pricing young people into private-sector jobs, or jobs may be specially created for them in the public/non-profit sectors. In practice, the distinction between these types of policies is not clear-cut. For example, employment subsidies are usually combined with various mixtures of education, training, work experience and support services. Policies also differ in the extent to which they focus on sub-groups of the youth population. Some address school-to-work transition issues for all youths at secondary level, others focus on the disadvantages faced by at-risk youths.

The aims of these policies are multi-fold: a smoother transition to stable, career-oriented and well-paid employment; an effective matching of young workers and jobs; low rates of youth unemployment, particularly long-term unemployment; and the acquisition by youths of the capacity to adapt to a changing work environment throughout their working lives.

The ambition of these goals must be tempered by the recognition of the key role played by socio-economic backgrounds in shaping individuals' educational and employment opportunities throughout their lives. It is quite naive, in fact, to believe that education and active labour market policies aimed at disadvantaged youths can overcome handicaps that have their origin in the economic and social disadvantages faced since early childhood. Only a broader and more long-term policy of poverty reduction and equalisation of socio-economic conditions, that targets support on disadvantaged families and communities, can hope to achieve this. Furthermore, it is important to acknowledge that the aggregate volume of economic activity is the major determinant factor of youth unemployment, and that a sound combination of macroeconomic and structural policies are needed to lay the ground for solving youth labour market problems. A discussion of such a comprehensive strategy is beyond the scope of the present paper.²³ Therefore, the paper takes a restricted view of the strategies for improving youth labour market prospects.

Critically, the ambition of youth policy objectives has seldom been accompanied by systematic programme monitoring and evaluation. When evaluations are available, they usually take a restricted view of the possible impacts of the programmes. Some monitoring activities are limited to measuring participation in the programmes, with little attention being paid to the quality of the programme itself; others look only at the impact on participants employment and/or earnings immediately after they have left the programme; others attempt to measure the net effects of the programmes on aggregate performance indicators like employment and unemployment. There is very little evidence on the long-term effects of these programmes, or as to why the programmes do or do not work. Furthermore, few of the available evaluations, especially for countries other than the United States, are based on experimental methods

that allow a rigorous answer to the question: "What would have happened, other things being equal, had the programme not been implemented?"²⁴

Rigorous assessment of the effectiveness of the policies discussed here is particularly difficult. Experimental methods are not easily adopted in evaluating policies in the domain of education, as entitlement norms and schooling requirements often rule out the withholding of services from randomly-selected control groups (Ryan and Büchtemann, 1996). Furthermore, policies in this domain may need quite a long time before their impact on youth's employability can be assessed. As for youth labour market programmes that combine different measures, such as training, wage subsidies, job-search assistance, etc. the different elements in each programme and the type of combination between them can contribute to their outcomes, but the evaluator is normally unable to disentangle the importance of these effects. Finally, many of the measures that are discussed here have been so recently implemented that evaluations are scarce.

The section is organised as follows. First, it looks at how initial education and training systems are structured as regards their approach to the school-to-work transition and the provision of the skills required on the labour market. Recent policy developments aimed at strengthening the vocational stream within the education system, ensuring that curricula and qualifications respond to changing work tasks and employment structures, and providing young people with experience in work settings are reviewed. Second, there is a focus on those youths with particular disadvantages in the labour market, and policies of remedial education and training specifically aimed at them are discussed. Third, policies aimed at altering labour market institutions and arrangements with a view toward pricing young people into private-sector jobs, such as youth wages, employer subsidies, special youth contracts and out-of-work income support, are examined. Finally, direct job creation schemes and policies to support self-employment are analysed.

A. Developing young people's employability

Developing young people's employability is a key policy issue for ensuring their successful transition to the labour market and access to career-oriented employment. This involves helping to ensure that they acquire the skills, knowledge and attitudes that will allow them to find work and to cope with unpredictable labour market changes throughout their working lives. Educational systems play a crucial role in preparing youth for the labour market. This section concentrates on examining the main routes through initial education and training into work, and on policies aimed at improving the employability of out-of-school youth. Interest is centred on non-university-bound youth.

Pathways through initial education and into work

Young people move from initial education to employment through a variety of routes or "pathways" that are of particular relevance to policy makers. Education systems in different countries vary greatly in the degree to which general and vocational studies complement each other and in the ways in which they are sequenced. Countries differ, for example, in terms of whether general and vocational streams run in parallel or in integrated programmes, in terms of the timing and nature of the choices that young people have to make between distinct options and labour market destinations, and in terms of the extent to which the vocational stream combines time spent in an education/training institution with time spent at the workplace (OECD, 1998c).

Apprenticeship countries

Austria, Germany, Switzerland and Denmark provide young people with the option of following a vocational pathway at an early age that combines school-based education with training at the workplace. This is the so-called apprenticeship or "dual" system. In Germany, the dual system constitutes the core of

vocational education and training: in 1996, over 40% of young *employees* aged between 15 and 24 years had an apprenticeship contract (Table 21). In the same year, apprentices represented around 30% of young employees in Switzerland. In Austria, the dual system attracts a smaller number of pupils – about 24% of employees – due to a highly differentiated provision of school-based vocational education and, in particular, to the so-called five-year technical colleges, giving access to tertiary education.²⁵ The same share is also lower for Denmark – 25% of young employees.

The main features of the dual system are: trainees are trained in State-recognised occupations requiring formal training, defined in close co-operation with official bodies, management and labour; the apprentice has a formal contract with the firm; the training element is a mix of regular education and on-the-job training supervised by the educational authorities and the social partners; the apprentice's wage is set relatively low compared with the skilled worker rate in the same occupation, but normally rises in accordance with growing productivity as he/she is learning; subsidies to employers may be paid towards the cost of training; and successful completion is certified by a diploma stating that the apprentice fulfils the requirements of the occupation.

As emphasised above, apprenticeship systems in these countries have a good track record in keeping youth unemployment at low levels and at quickly integrating a high proportion of new school leavers into jobs. They do so by raising the incentives and motivation of high-school students to learn; by providing for clear pathways and transitions from school to careers; by expanding the use of contextualised learning that goes beyond firm-specific training; by increasing the relevance of training; and by encouraging employers to upgrade the quality of jobs and to give a chance to young workers (Lerman, 1996).

A widespread consensus on the core elements of the system among all the actors involved, and their high involvement in the design and implementation phases, are key factors for the success of apprenticeship systems. However, this success does not mean that these countries do not face some problems. Concern grew in the 1990s over some global and structural imbalances with which the system is faced. Surpluses or shortages of training places relative to the demand for them have been alternating during the past decade, and the probability is high that a shortage will emerge soon. More importantly, structural mismatches have been identified between the supply of, and demand for, training places, differentiated by occupations, sectors and regions (Bock and Timmermann, 1998). The reasons for these imbalances originate from a change in attitudes on the part of both employers and pupils. On the one hand, the dual system attracts relatively declining numbers of young people, as more and more they tend to choose general rather than vocational education, and full-time vocational/technical schools rather than apprenticeship. On the other hand, employers raise questions as to the cost and appropriateness of training for “rigidly” defined occupations in an era of rapid technological change, and also worry that the quality of applicants is declining as the attractiveness of other pathways rises. For these reasons, they are less willing to invest in high-quality training for apprentices. The continued success of apprenticeship systems shows, however, that these preoccupations are probably exaggerated. It should not be forgotten that the system has been able to adapt to changing job requirements in the past, even if it has done so fairly slowly.

One lesson that can be drawn is that apprenticeships will remain a promising pathway to qualification, employment and further learning if sufficient numbers of attractive training places are offered by employers and if the structure of the supply of apprenticeship places responds to changes in the structure of employment.

Other countries

In other European countries, the most frequent pattern is programmes that take place to a large extent in an education institution rather than at the workplace. This is particularly the case in Greece, Spain and Portugal, where more than 90% of those following a vocational path in 1993-1994 were enrolled

in school-based programmes. In France, the Netherlands and Sweden, the vocational programmes that attract most students are those where the training takes place mainly in an education/training institution, but with some time spent at the workplace.

Outside Europe, Australia, Canada, New Zealand and the United States currently have little in the way of vocational training at the level of initial education. In Canada and the United States, the number and range of secondary schools offering vocational programmes have decreased in the past 30 years, due to declining enrolments, changes in the skill and technological requirements of the trades, limited job opportunities and rising aspirations for post-secondary studies. In Australia, vocational education and training has traditionally been offered in the Technical and Further Education colleges (TAFE), involving different types of qualifications and certificates to those issued through the school system. However, the provision of vocational education and training courses as part of the school curriculum in conjunction with TAFE institutes and/or other providers is growing.

In these countries, linkages between education and employment are more informal and decentralised and training decisions by firms and workers are determined by market forces. The assumption is that additional training or skills will be readily acquired after getting a job. High turnover and the risk of poaching, however, can lead to a reluctance to train on the part of employers. In the United States, evidence shows that about 60% of all 25-year-olds obtained no training after high school, and the figures are even higher for non-college youth (Lynch, 1993). Education is also positively correlated with training: those with university qualifications in the United States are roughly five times as likely to receive further training compared with workers with no formal qualification (OECD, 1994). This suggests that the labour market disadvantage of the less educated could persist throughout their careers and the current evidence is that inequalities within the youth cohort have been rising (see Freeman, p. 89 in this volume; Haveman and Knight, 1998).

Finally, Japan relies almost exclusively on formal training provided by the firms. However, there is close co-ordination in the recruitment process between schools and employers. Japanese schools rank graduating students by their academic performance, and associated employers usually hire according to the school's rankings. This screening process increases the incentive for high-school students to perform well in school and gives employers confidence in their potential workers, thus encouraging them to engage in extensive on-the-job training. It has its flaws, though, in that it places an overwhelming emphasis on grades, school performance and recommendations by teachers, thus providing few re-entry opportunities to school drop outs (Lerman, 1996).

Policies aimed at strengthening pathways through initial education and into work

As was noted in the previous sections, completion of upper secondary education has become the norm in almost all OECD countries, having risen over time to at least 75% of school leavers. Those who fail to complete this level find themselves particularly penalised in the labour market, in terms of both employment and earnings. Preventing failure at school is, therefore, one key strategy to ensure a successful transition to work and adult life. However, completing upper secondary education is not a sufficient condition for a stable entry into the labour market. In a number of countries, young people who have completed upper secondary education can be subject to considerable unemployment. Policy in the domain of education, therefore, needs to focus on how to ensure that young people are employable, both at the moment they first enter the labour market and over time.

Integrating vocational and general or academic education

A policy response to meet these challenges has been to attempt to make schooling diverse, flexible and attractive enough to meet the interests and aspirations of the widest possible range of young people in the post-compulsory age group. The development and re-appraisal of the vocational stream within the

education system is an important element in such a strategy. At the same time, policy makers are seeking ways to broaden and reinforce advanced general studies even within the vocational stream, thus enhancing integration between vocational and general or “academic” education.

Since the early 1980s, Finland has engaged in an intense and continuous process of educational reforms, both at upper secondary and tertiary levels, designed to meet these objectives. Comprehensive reforms of the education system that go in this same direction have recently taken place in Ireland, Norway, Sweden and Spain (Table 22). Even in the absence of comprehensive reforms, Australia, Canada and the United States have started to develop or revive the provision of vocational courses at the upper secondary level. In the United States, a number of initiatives have been taken over the past decade with the goal to stimulate state and local governments to create a new national system linking school-based and work-based training and ultimately upgrade the careers of young people not pursuing a four-year college degree. In Japan, the authorities have initiated a number of reforms to further develop vocational education in secondary schools, and to generally strengthen the links between the education system and the labour market.

One obstacle to the promotion of secondary-level vocational education has been, in many countries, its low and declining attractiveness, due to the greater value attached to general education by pupils, parents and the society as a whole. Measures to lift the attractiveness of vocational education include the development of double-qualifying pathways, providing qualifications for both work and tertiary education; enhanced permeability between different programmes, that allow young people to keep their options open for as long as possible; and, the promotion of more integrated learning opportunities. Austria and Norway have developed double-qualifying pathways,²⁶ and, in both countries, overall participation rates in technical and vocational education have been rising (see Box 7). Permeability between different programmes has been promoted by broadening the entry points to vocational education and training and providing opportunities to cross from one pathway to another with minimal loss of time, with an associated broadening of curricula so as to cover a wider range of related occupational tasks (OECD, 1998e). This approach is most typically found in the Nordic countries and in apprenticeship countries, especially in Germany.

Canada, Japan and the United States have developed integrated pathways providing academic courses of study that satisfy entrance requirements for four-year colleges and prepare students for employment through new forms of work-based learning linked to the school curriculum. In the United States, these innovations have been initiated locally, although they have also received support from federal and state legislation, and from non-governmental agencies financed by private foundations. One major example are career academies, which are self-contained groupings of students and teachers within a larger high school, combining academic and vocational curriculum and involving partnerships with employers who provide internships and other services for students. Career academies normally focus on health occupations, business and finance, manufacturing, engineering or computers. Box 7 summarises the results of evaluation studies of such integrated pathways.

The opening up of new pathways is also evident in tertiary education. Shorter and more work-oriented tertiary studies have resulted from the development of the Fachhochschulen (specialist colleges) in German-speaking countries, the higher professional schools in the Czech Republic, the polytechnic institutions in Portugal and Finland, the short-degree courses in Italy, and similar short-cycle tertiary institutions in some other countries. Other institutions that have the potential to produce similar results include the Community colleges in North America that offer school leavers the opportunity to obtain occupational qualifications and/or to prepare them for entry into higher education.

Providing experience in work settings while in education

The belief that young people learn more effectively and are more motivated to learn when learning takes place in context and according to inductive approaches has been one driving force for the introduction

of work-based learning within schools (OECD, 1998e). Stern (see p. 155 in this volume) identifies the following potential benefits of work-based learning: the acquisition of knowledge or skills related to employment in particular occupations or industries; the opportunity for career exploration and planning; the possibility to learn more about an industry; and, increased personal and social competence related to work in general.

Linking part-time employment with classroom studies may also enhance students' motivation and educational achievement, while still allowing them to gain valuable work experience. As was noted in Section I, although school-work combinations may have a positive impact on the success of young people in integrating into employment and constructing good careers, there can be a negative link between school attainment and part-time work among students if the number of hours worked is too high. School supervision of students' work appears to mitigate somewhat these negative effects. Therefore, formal structures combining work and schooling have been erected in many countries. These range from full-fledged apprenticeships to short ad-hoc stays in enterprises while attending education.

The workplace component within secondary vocational education has been reinforced in some countries, notably in Sweden, Norway (see Table 22) and the Netherlands. In Australia, school-industry programmes have been introduced to provide students in the senior year of secondary school the opportunity for structured learning in a workplace which is assessed and accredited as part of their schoolwork. In 1996, some 60% of schools provided one of these programmes, but only 12% of senior secondary students participated in them. OECD (1998e) reviewed two studies of the effects of one school-industry programme – the Training in Retail and Commerce (TRAC) project. The results of these studies identified enhanced student outcomes in terms of such things as: motivation and confidence; satisfaction; personal and practical skills; and time-management skills. Furthermore, TRAC graduates appeared to have an unemployment rate approximately half that of non-university-bound school leavers as a whole, and to be 50% more likely to be involved in further education and training through apprenticeships, traineeships or other forms of study.

In Canada and the United States, there is a growing interest in a range of work-study and co-operative education programmes. However, participation in them remains low. In Canada, for example, less than 10% of secondary education students opt for them (Marquardt, 1998). The main obstacles seem to be the reluctance of employers to offer decent workplace opportunities, the low esteem that students and parents have for them, and the reluctance of schools or educational authorities to allocate adequate resources to them and to modify timetables to make workplace attendance a normal part of the educational experience. These obstacles partly relate to the fact that there is usually little connection with what students are doing in their classes and the programmes fail to give formal credit in school and/or vocational qualifications.

Ensuring the relevance of vocational training and education to labour market needs

Against the background of technological innovation, economic restructuring and keener competition, the responsiveness of initial education and training towards changing qualification requirements in the labour market has been a major concern in many countries.

In countries with strong traditions of vocational education and training, there is real concern about how to adjust the content of education. In response to these concerns, there has been an increased emphasis upon the (re-)design of new skill profiles and curricula, and a search for ways to update curricula and qualifications in faster and more flexible ways. In Switzerland, for example, the authorities hope that the responsiveness of vocational training to economic change will be encouraged through the creation of enterprise networks. In such networks, apprentices acquire a broad range of qualifications by moving through several enterprises according to a carefully planned and co-ordinated training programme.

In countries with a less developed vocational education sector, an approach in the hope of creating better linkages between education and employment has been to develop unified qualification frameworks

with which to judge attainments, in an attempt to provide the informational and incentive structures needed to spur pupil achievement, encouraging higher educational aspirations and further learning. A system of national standards also helps employers in informing training providers and prospective employees of their skill needs and in evaluating the skill levels of applicants.

In the United Kingdom, vocational education and training after compulsory schooling is organised within a framework of nationally-recognised qualifications: the General National Vocational Qualifications (GNVQs) and the National Vocational Qualifications (NVQs), plus a number of other vocational qualifications. The GNVQ covers a wide range of courses providing full-time vocational education, entirely school-based; the NVQ covers part-time, mainly employment-based, vocational training. While the general architecture of the qualifications and their different levels allow for a high degree of suppleness, critics argue that NVQs have merely superimposed another layer of qualifications without much effect on the quantity and quality of training. A risk associated with this framework and the modularization of post-compulsory education and training is the temptation for young people to abandon an education or training programme before obtaining a qualification.

Whatever the type of links between work skills and the content of education, the involvement of employers and employer organisations in the design of occupational qualifications is very important in tailoring curricula and programmes to labour market needs. This is done either through advisory committees that assist educational authorities, as in the United States and Canada, or through tripartite decision-making bodies with strong employer as well as trade union engagement.

Finally, a common feature across countries is the gradual devolution of certain planning and monitoring tasks from national to sectoral, regional and local levels in order to render education and training provision more immediately responsive to identifiable needs for skilled labour market entrants.

Box 7. The outcomes of policy developments strengthening pathways through initial education and into work

The goals of these policies are both *quantitative, i.e.* to increase enrolment rates of students at secondary and tertiary levels and reduce the number of drop outs, and *qualitative, i.e.* to provide young people with the basic skills and competencies relevant to the world of work. As many of these reforms are quite recent, little data are available on the former aspect, but the available evidence for Austria and Norway shows that countries that ensured broad pathways with multiple exit points and that increased opportunities for young people to cross from one pathway to another actually managed to raise the attractiveness of vocational pathways and increase participation rates.

However, as already noted, there remain obstacles to the promotion of these new pathways. In the United States, scepticism on the part of both parents and teachers that the integrated pathways can offer valuable college-preparatory options remains a major barrier to implementing them (see Stern, p. 155 in this volume). In Finland, the “Upper Secondary Experiment” is a pilot project for a reform of upper secondary education, in which the possibilities of individualised pathways based on modularization, networking between schools and the related development of student information and counselling are being explored. However, the outcomes to date from this pilot project have been disappointing, *e.g.* so far the majority of students involved have not taken advantage of the possibility of choosing individualised pathways.

Stern brings together the results of evaluation studies of integrated pathways in the United States. Most of these evaluation studies concern career academies, as they have been in existence for a number of years, and also because, by their design, they allow carrying out experimental

evaluations: since they usually serve only a fraction of the students within a high school, other students in the same school can comprise a comparison group for evaluation purposes. Career academy students have been found to be more likely to graduate from high school compared with non-academy students. Furthermore, graduates from career academies have been found in some studies to be more likely to enrol in tertiary education, including four-year colleges and universities. Importantly, however, little is known about what, if any, is the labour market impact of these reforms. Evaluations have not found much difference in the labour market performance of career academy and non-career academy graduates in the first few years after high school, except that some studies have found academy students working more hours per week.

Developing apprenticeship and alternating-training contracts

The success of the German dual system has led many countries to develop apprenticeship systems imitating some of its features, although, as noted above, a whole range of social, economic and political conditions need to be fulfilled for apprenticeship systems to function successfully. Furthermore, apprenticeship-based systems are viewed in some countries as a less preferable option compared with more academic pathways that allow the acquisition of the general competencies and communication skills that are believed to be crucial in a changing working environment. Box 8 below brings together some results of evaluations of apprenticeship in terms of employment and earnings outcomes.

Box 8. The results of evaluations of apprenticeship

The few evaluations of apprenticeships in terms of employment and earnings outcomes have been generally favourable. Ryan (1998) reviews statistical evidence on the economic effects of apprenticeship in advanced economies, both compared with full-time vocational schooling, mostly at upper secondary level, and to youth labour market activity, including employment, unemployment, job training and labour market programmes. The evidence suggests that apprenticeship often generates gains in subsequent employment for participants, particularly relative to job training and labour market programmes, but also relative to full-time vocational education. Benefits in terms of pay are also reasonably well established for males, although in relation more to youth labour market activity than to full-time vocational education. Females appear to do badly, in terms of both access and benefits, in the United Kingdom and the United States. Sollogoub and Ulrich (1997) analysed French evidence on the employment outcomes of apprenticeships compared with the outcomes of vocational education that is solely offered in school. They find that apprenticeship improves the likelihood of employment during the first years on the labour market, but vocational school raises later earnings more than apprenticeship does.

Table 21 sums up the key features of apprenticeship systems in those countries where they account for a relatively important share of youth employment or where concrete measures are being taken to develop them. Norway, France and Ireland provide examples of reforms that have resulted in a genuine increase of apprenticeship opportunities for young people. In Norway, beginning in 1994, apprenticeship has been integrated in a new pathway through upper secondary education. The content of general and vocational education has been broadened and new places have been created in white-collar and service occupations. The reduction in apprentice wages, the creation of co-operative mechanisms to assist smaller firms to train, and the involvement of the social partners in the design of the reform and in its promotion are key elements. In France, legal measures introduced in 1987 aimed not only at encouraging apprenticeship, but also extending it to diplomas beyond the traditional certificate of vocational competence (CAP). Although starting from a very low base, the number of new apprentices has increased

by over 50% in four years, to reach 13% of employees of less than 26 years of age in 1997. The proportion of those preparing for a diploma beyond the CAP has shown a steady increase, and now concerns one apprentice in four (Pérot and Simon-Zarca, 1998). In Ireland, the apprenticeship system has recently been designed to provide broad-based training during the initial stages with opportunities to develop specialist skills later, and is based on the achievement of standards rather than on time spent in the programme. Its modular approach is intended to allow for flexibility and cross-skilling and to provide for on-going up-dating of skills. Although the coverage of apprenticeship remains very limited in Ireland, at 5% of employees aged 15-24 years in 1996, the new system seems to be attracting an increasing number of pupils.

In the United Kingdom, the new Modern Apprenticeship scheme (MA) introduced in 1993 has not yet halted the fall in apprentice numbers that started as far back as the early 1960s, but the scheme's design is potentially promising. MA is less restricted by trade demarcations, it covers a broader spread of occupations, and takes a more dynamic view of movement into apprenticeship and progression out to continuing training and further education than did the old system (Gospel, 1998). It aims for a higher standard of attainment than had typically been achieved through the government-sponsored training scheme – Youth Training²⁷ – which was introduced in 1983 to cater to the rising number of unemployed young people. However, it remains to be seen whether enough firms and young people will be attracted to the programme so as to make a real difference to the number of apprentices.

In Australia, an interesting feature of the apprenticeship system is the existence of “group-training schemes”. Under these schemes, the apprentice is recruited by a Group Training Company that receives fees based on wage costs from the participating employers and various forms of financial support from State and Federal governments. These schemes appear to have played a major role in employing apprentices who were discarded by their original employer and in encouraging structured training in areas such as tourism and retailing. However, after growing strongly towards the end of the 1980s, the annual number of new apprenticeship starts has fallen sharply during the 1990s. In an attempt to strengthen and increase the flexibility of the system, a “New Apprenticeships” scheme has been proposed and partly implemented by the new government. The new scheme is supposed to deliver: new places in emerging industries and more multiple workplace apprenticeships through Group Training Companies; more flexible mixes of training and work; integration with the Jobs Pathway Guarantee Program; a user choice of the off-the-job training programme and provider; and, nationally-portable qualifications. It is too early to judge whether this reform will achieve its aims.

B. Education and training for at-risk and unemployed youths

In spite of the efforts made in countries to improve the employability of youth through the education system, a minority still leave school with very limited skills. Exclusion from education, training and employment is often systemic: early school leavers and other at-risk young people are often drawn disproportionately from particular ethnic, social and regional groups. Whatever the causes of their disadvantage, these young people are among the major preoccupations of policy makers as they are particularly vulnerable to repeated spells of unemployment, to long-term unemployment and to intermittent and low-paid work.

Preventing failure at school of at-risk youth

A key policy priority is to discourage young people from dropping out of school or to encourage early school-leavers to return to regular education and training. Some countries have established targeted measures for young people deemed “at risk” of failing at school. In Germany, support measures help disadvantaged young people, in particular migrant children, during compulsory education and during training in the dual system. Such measures include language lessons, compensation of educational deficits, labour market counselling and general help to overcome learning difficulties.

These policies, together with the rapidly rising educational aspirations of migrant families, appear to have led to significant improvements for young second-generation migrants in terms of educational qualifications and participation in the dual system.²⁸ In the United States, some drop-out prevention programmes, combining academic assistance (tutoring, help with homework, etc.) with adult mentoring, vocational counselling and small payments for school attendance, have proved successful and highly cost-effective. Others, however, have not, indicating that such programmes are difficult to implement (Stanley *et al.*, 1998).

Evaluations of specific programmes to bring out-of-school youths without academic or vocational qualifications back into the system have yielded mixed results. In the United States, such programmes have not proved very successful (*op. cit.*). The Nordic countries show more promising results. Under the “youth guarantee” concept, every young person up to 20 years of age is entitled to an education at upper-secondary level. For example, in Sweden, any person in this age group not having completed upper-secondary school has the right to be admitted to a programme and to follow an adult education course organised by the municipality. In Norway, a “follow-up service”, set up as part of the 1994 education reforms, is designed to reintegrate early leavers back into school and enable them to gain an upper secondary qualification. The service works in close contact with school counsellors and the school psychological service, with the public employment service, and with health, welfare and other community services. Initial monitoring of the follow-up service has yielded positive results, with school drop-out rates falling and very high proportions of those contacted by the service engaged in education and employment.²⁹ The combination of a trainee place within a firm, which offers subsidised employment and on-the-job training, with some school attendance, has been found to be the most successful approach in re-motivating and re-inserting drop outs. The Nordic countries’ experience suggests that satisfactory results can be achieved with a combination of preventive and curative measures which are flexible, tailored to the individual needs and conditions of young people at risk, and integrated across the education, employment and community and social services sectors (OECD, 1998e).

Integrated packages for out-of-school youth

Multi-faceted programmes that combine services ranging from remedial education and training to work experience, job-search assistance, support for returning to formal education and various forms of wage subsidies are becoming the preferred approach for disadvantaged youths in some countries (Table 23). A formal engagement in this direction has been taken by the European Council with the adoption of a guideline for employment policy stating that “governments must offer every young unemployed person either training, retraining, work experience or another employability measure before they have been unemployed for six months”.³⁰ Denmark, Finland, France, the Netherlands and the United Kingdom have already taken legislative steps to implement this guideline.

Since 1996, in Denmark, a special package targets young people under the age of 25 years in receipt of unemployment benefit who have not completed a formal vocational education or training programme. After six months of unemployment, they have the right and the duty to take part in normal education or special courses for at least 18 months, being paid allowances considerably below the level of the unemployment benefit. Survey analysis results indicate positive short-term effects of this initiative on the youth unemployment rate (see Table 23). In fact, one result was that most of the young job seekers had left unemployment before the time they would actually have to start the programme. This was interpreted as a “motivation effect” of the programme, in the sense that the prospect of having to follow mandatory education and the corresponding reduction of the economic benefit meant a strong incentive to leave unemployment and start education or get an ordinary job. It must be stressed, however, that, in the absence of rigorous evaluations, any analysis of the impact of the programme, and of the factors influencing that impact, are only speculative. The Danish labour market has improved considerably since 1994 and that has clearly helped make it easier for youths to shift into ordinary employment (European Commission, 1998).

The Youth Work Guarantee plan (YWG)³¹ in the Netherlands and the United Kingdom's New Deal apply the same principles as the Danish package, whereby young people receive benefits only if they attend a training scheme or sign up for a work-experience programme. In exchange the government will try to guarantee a sufficient supply of training and work-experience places. Under the New Deal, all young people aged 18-24 years, who have been claiming Jobseeker's Allowance for 6 months, must first enter an initial Gateway programme which lasts for up to 4 months and consists of intensive counselling and guidance. Then they are offered a choice between 4 options: subsidised work with an employer in the regular labour market; six months' job creation programmes in the environment or voluntary sectors; full-time education and training for up to 12 months without loss of benefit; and entry to self-employment for at least 6 months. Those who refuse to participate in any of these options may have benefit sanctions applied to them. Early indications of the impact of this programme point to increased outflow rates from 6-10 months unemployment for the target group, with positive immediate job prospects for some young people. However, the outflows into the non-job options listed above are higher than those into jobs. These results, based on administrative monitoring data, only offer a partial picture. The programme is being carefully monitored and evaluated and more reliable results are expected soon.

Also outside Europe, programmes offering a different combination of sticks and carrots are becoming more common. In Australia, the Mutual Obligation arrangements offer unemployed youth similar options as the New Deal package in the United Kingdom, but of a shorter duration. In Canada, a range of multi-faceted programmes is offered by the various provinces. One example is Newfoundland's Linkages that targets social assistance recipients aged 18 to 24 years who have not completed post-secondary education. These people are offered the opportunity to engage in 26 weeks of career-related employment, participate in regular group career planning workshops and earn an allowance towards the cost of post-secondary education. No evaluations are available yet.

Short-term job-training programmes aimed at very disadvantaged youths have been operating in the United States over the past two or three decades. A number of careful evaluations, including random-assignment experiments, indicate that such targeted youth training programmes have achieved little to raise the long-term job success of disadvantaged youth participants. Lerman (1997) highlights the importance of poor attitudes towards work among disadvantaged youths as a factor in explaining the dismal record of such special youth measures. Grubb (see p. 363 in this volume) also points to the poor quality of teaching provided and to the fact that the duration of these programmes is too short to be able to overcome the major disadvantages of the groups targeted. He explores the nature of some "exemplary programmes" to see what lessons they hold for education and training policies for disadvantaged youths (see Box 9).

Box 9. Factors that make for successful education and training programmes for disadvantaged youths

Grubb (p. 363 in this volume) identifies five "precepts" for effective education and training:

1. Effective programmes for disadvantaged youths contain an appropriate mix of general (or remedial, or basic) education, occupational skills training, and work-based learning, in the best cases integrated with one another.
2. They provide a variety of support services, like counselling and placement services.
3. They maintain strong links to the local labour market and garner employer support for the programmes.
4. They provide their clients with pathways of further education opportunities, so that they can continue education and training if they wish.
5. They collect appropriate information about their results and use these to improve the quality of their programmes.

C. Policies to affect the demand for youth labour

Although education and training policies are central elements of any effective strategy for improving youth labour market prospects, a comprehensive policy framework has to pay attention to labour market arrangements and institutions and their impact on job and earnings prospects. Wage-setting institutions, employment protection legislation and fixed-term contract regulations are often deemed to affect the entry of youths into the labour market. This section reviews policies aimed at altering such institutions with a view to stimulating the demand for young workers. It will also examine policies aimed at creating new job opportunities for youths in the public or non-profit sector.

Reducing payroll costs

Reductions in payroll costs are intended to increase youth employment and work-based training. Youth payroll costs can be reduced in two ways: via the direct alteration of wage structures, *e.g.* through lower minimum wages; and via reductions in non-wage costs, whether through lower payroll taxes or wage subsidies to firms. Both approaches aim to induce employers to increase their demand for youth labour.

Section II.B above reviewed the countries where lower minimum wage rates for young workers are in place. Many countries have also allowed *de facto* sub-minimum wages for youths as a result of special employment programmes that allow employers to pay young workers wages at a lower rate than the minimum wage or the contractual minima. Typical examples are the apprenticeship contracts discussed above, the qualification and adaptation contracts in France, work-training contracts in Belgium and the New Workers' Scheme in the United Kingdom. Rather than abolish the statutory minimum wage or widen the gap between it and the rate applicable to young people, many countries, like France, Italy, Portugal and Spain, have preferred to cut employers' social security contributions significantly for young workers or pay wage subsidies tied to the hiring of young people. In many cases, the financial incentive is accompanied by relaxed employment protection regulations, as normally the jobs are temporary. Table 24 provides some examples of these types of contracts (excluding those that alternate training within the enterprise and in an education institution, described in Table 21).

So-called "atypical contracts" employ large numbers of young people in some countries. In France, in 1997, around 20% of young employees under 26 years of age were employed with one or another "atypical contract" in the private sector, accompanied or not by training. In Italy, approximately 38% of employees aged between 14 and 24 years old are employed either with a training-employment or apprenticeship contract. A further 7% in the age group 25-32 are employed with an employment-training contract.

Besides the obvious objective of raising employment rates among the targeted population, these programmes are also inspired by the hope that work experience alone will make disadvantaged young people more employable in the future.

It is not clear whether subsidies to employment create many net new jobs. Instead of increasing total employment, firms may simply substitute subsidised workers for unsubsidised ones (the "substitution effect"), or hire subsidised workers whom they would have hired even in the absence of the subsidy (the "dead-weight effect"). The available evidence shows that subsidies to employment can indeed suffer from large deadweight loss and substitution effects, and hence have small net employment gains. Substitution effects, however, may be justified on equity grounds, if they help provide the most disadvantaged groups with jobs.

Much of the impact of employment subsidies depends on their design and on the labour market context in which they operate. Firm take-up is partly a function of how much information is made available to employers about the subsidy and how easy it is to claim. There is also the question of how large the subsidies have to be to get firms to take-up such measures. High subsidies will be needed if demand

elasticities for the targeted groups are low, which the empirical evidence suggests is indeed the case. Another relevant issue concerns the extent of targeting. On the one hand, the larger the group participating in the programme, the higher the cost and the lower the cost-effectiveness for disadvantaged workers. On the other hand, strict targeting can lead participants to experience the stigma of coming from a programme only for the weakest individuals, and may, therefore, be unable to overcome employers' reluctance to hire them. The most appropriate approach depends, among others, on the role played by labour market institutions and conditions. Lerman (see p. 419 in this volume) notes that broadly targeted programmes are most appropriate when unemployment is not concentrated on a hard-core of disadvantaged young people. In situations with high unemployment, targeted wage subsidy programmes may only reallocate, instead of reducing, unemployment.

Little evidence is available on the impact of subsidised employment on the subsequent jobs and earnings prospects of young people, but it appears that programmes that alternate subsidised work within the enterprise and training in a specialised institution are the most effective in aiding a smoother transition to the regular labour market. Therefore, the quality of the jobs provided and the presence of a training element are key features for the success of such demand-side programmes. The formal recognition in the labour market of the experience acquired through them can also help in making that experience transferable to other firms.

Employment protection regulations

Another aspect of labour market arrangements that is sometimes deemed to affect the entrance of youth into the labour market is employment protection legislation (EPL). A number of potential benefits have been evoked to justify EPL: enhanced job and income security for employees; increased incentives for employers to invest in firm-specific human capital and for employees to acquire the formal education or vocational qualifications which employers look for; increased job search prior to being laid off by imposing early notification of dismissal.

However, the potential benefits of strict EPL have to be weighed against potential costs. By imposing a tax on work-force adjustments, EPL is often claimed to lead to a more sclerotic labour market, that is unable to achieve the volume of workforce adjustment required in response to rapid changes in technologies and product market competition. Furthermore, EPL may exacerbate the dualism of the labour market between protected workers on the one hand and job seekers and temporary workers on the other, thus increasing the share of vulnerable groups in the stock of unemployment or the duration of their unemployment spells. In particular, it is claimed, young new entrants to the labour market may be particularly penalised by strict EPL.

The OECD *Employment Outlook* (OECD, 1999) explores these issues. Simple, cross-country comparisons suggest that EPL may affect the demographic composition of unemployment and employment. In countries where EPL is stricter, unemployment for younger workers tends to be higher, while their employment-to-population ratio tends to be lower. However, these findings are only very weakly confirmed in the multivariate regression analysis. Other empirical studies reviewed in Rogowski and Schöman (1996) focus on the effects of the introduction of more flexible rules in the use of fixed-term contracts in France, Germany, Spain³² and the United Kingdom. The empirical evidence shows that the new rules have resulted in more young employees being recruited into fixed-term employment than before. This finding, however, is not surprising, since youths are over-represented among labour market entrants and new hires.

A key question is whether temporary contracts lead to stable employment or whether they become traps for some people who move from one such job to another interspersed by periods of unemployment. Italy, Portugal and Spain have introduced incentives to transform temporary contracts into permanent ones. These incentives take the form of fiscal benefits, subsidies and reductions in (or exemptions from) social security contributions. In Italy and Spain, for example, an insufficient number of conversions reduces the possibility for the firm of further hirings with youth contracts. Despite similar incentives, the proportion

of conversions differs substantially. In Italy, 59% of trainee contracts were transformed into regular ones in 1996 (ISFOL, 1998). In Spain, only 12% of training contracts and 28% of learning contracts were so converted in 1997 (OECD, 1998b).

Conversion rates, however, do not tell us whether individuals who start with a fixed-term contract end up in a stable career path or not. Longitudinal data can help to answer this question. Bearing in mind data comparability problems,³³ evidence from France and Italy suggests that youths who start off on a temporary contract during their first year out of school do better in the longer term than those who start in unemployment. In particular, in Italy, starting off with a fixed-term contract is actually associated with a higher probability of being employed six years later compared with those on a permanent contract. There are two likely reasons for this. First, the Italian fixed-term contracts are designed for a rather select group of skilled youths. Second, the legal requirement on firms to transform at least one-half of these contracts into permanent ones may effectively help (OECD, 1998b), although issues of deadweight and substitution remain. In Spain, the picture is different: the likelihood of being employed 15 months after exit from school differs little by type of contract. Thus, the empirical evidence on traps or stepping-stones remains unclear.

Direct job creation schemes

Direct job creation schemes are often used as a complementary policy tool in the hope of giving youth work experience and contact with the labour market. These schemes are usually characterised by restrictions on the type of employer – traditionally, the public or non-profit sectors; the duration of the subsidy – normally, the jobs are temporary; and the type of job – often, it must be of social benefit. In general, the employment must be additional, *i.e.* it would not have existed without public intervention, and labour costs are shared between the public authority and the sponsor of the project. Although normally targeted at the long-term unemployed of any age with particular disadvantages on the labour market, youths are often included in these schemes. Many European countries, in particular Belgium, France, Italy, the Netherlands and the Scandinavian countries, have used such programmes. Outside Europe, Australia up to 1994, and New Zealand, have experimented with some job creation schemes.

Direct job creation measures have gone through several phases. They were very popular after the first oil shock and into the 1980s. But, as evaluations of such programmes yielded very poor outcomes, most countries moved away from their use in the late 1980s. Recently, they have seen a resurgence. These alternating fortunes reflect changes in the aims of this measure over the period.

In the past, job-creation programmes were often used as a counter-cyclical measure and their aim was primarily to get people into jobs, with little attention being paid to their impact on long-term employability. When participation in these programmes was used mainly as a vehicle to re-establish eligibility to unemployment benefits, they appeared to operate as a revolving door, with many of the same people moving in and out of them.

Recently, some governments have re-designed job-creation schemes with supply-side objectives in mind (Table 25). More attention is being paid to the quality of the jobs, by reinforcing the social benefit element or by requiring that they meet new or unsatisfied needs, and to support services provided to the participant in terms of career guidance and counselling. Ellwood and Welty (1998) note that, although displacement is potentially a very large problem in these programmes, it can be kept to a minimum when the programmes are targeted at workers who are very different from the traditional workforce, and when workers do distinct assignments, as opposed to doing work which is identical to that performed by regular workers. They argue that policy makers are faced with a trade-off when organising job-creation programmes. On the one hand, the more valuable the work is, the greater the apparent long-term benefit to recipients, and perhaps the greater the value of the work of the community. On the other hand, the more valuable the work is, the greater the risk of substitution, the greater the cost, and the greater the administrative complexity in generating the jobs and monitoring them.

Examples of programmes that lie at the extreme ends of this trade-off are the ambitious “New Services, Youth Jobs” programme in France, and workfare projects included in activation packages like the New Deal in the United Kingdom or the Mutual Obligation arrangements in Australia.

“New Services, Youth jobs” has been set up to provide State support for the development of activities designed to meet new or unsatisfied needs. Activities recognised by the local authorities as satisfying the criterion receive support in the form of financial aid for all the jobs they create for young people: the aid is equal to 80% of the minimum wage for the first five years of each job. To this cost must be added a large amount to allow for the start-up and monitoring of the planned activities. Between October 1997 and end-March 1999, 150 000 individuals were recruited through this programme. Nearly all the jobs created are full-time, more than one-half of them pay slightly above the minimum wage, and most of them are occupied by young people with no or little qualifications. This programme is ambitious since one of its prime objectives is the durability of projects in three respects: the activities need to ensure that unsatisfied needs can be met in the long term; the jobs created with State support for an emerging activity need to be given professional status; and the young recruit must be properly trained to ensure he/she stays in employment after the five years, possibly in a job other than the one held during the programme. Clearly, the responsibility of the government in ensuring that this programme succeeds is considerable: if it fails to create valuable and lasting job opportunities by fostering the emergence of a “third sector”, there is the danger of locking the targeted youths into dead-end jobs (Gautié, p. 387 in this volume).

D. Mobilising labour supply

Removing barriers to work rooted in the tax and benefit system

This sub-section reviews the role of tax and benefit systems in providing financial incentives for young people to take part in training programmes and to look for work. It does so by comparing the income provided by unemployment and related welfare benefits to that which might accrue from work. If the former income is high compared with the latter, benefit recipients may have less incentive to search for and accept employment. However, the level of expected income when in work is not the only determinant for the labour supply decisions of young people. The stability of the job or its training content are other important factors (see Box 10 on the opinions of young Europeans on their likely attitude if they were confronted with unemployment).

Box 10. **Stylised facts on young Europeans confronted with unemployment in 1997**

What would young people be most likely to do if they were unemployed?

Answers to this question are available from the Spring 1997 Eurobarometer survey on young Europeans. Six of the options given were each selected by over 10% of those interviewed: most would accept any job, but with specific conditions. One youth in five specified stability of the job as their main criterion; one in six would accept any job whatever the conditions; one in seven would only take a job that is well paid; one in eight would try to do an apprenticeship or training course to prepare for a different career. Other options that very few young people would select in the event of unemployment were setting up their own business, take advantage of the situation by travelling and visiting different countries, working in the black-market economy or doing voluntary work.

Although youths tend to earn less than older workers, they also tend to receive lower social protection benefits, if any, especially when they have just left school and have not accumulated any work experience. Figure 10 shows net replacement rates for young people in case of joblessness. The numbers shown assume a twenty-year old unemployed single person with no employment record, living alone with no family responsibilities and whose expected earnings in any new job are at two thirds of the average production worker's level. The highest replacement ratios are found in the Nordic countries, Belgium and Germany. In France and Italy, young unemployed persons without work experience are not even entitled to any form of benefit. It must be noted that these calculations are based on rigid assumptions which are not always representative of reality. More evidence would be needed to verify whether the actual replacement rates differ from the simulated ones, and to check how many individuals are actually affected by them. In fact, many unemployed young people do not qualify for either joblessness-related compensation or other kinds of support. This is especially true for those young people who have no employment record, as most of them would still be living with their parents and their entitlement to social protection benefits would normally be conditional on a means test based on the family's income.

All the above considerations lead to the conclusion that the disincentive to look for work is particularly weak for young people. The concern in the case of young people is more about future benefit dependency. In some countries, eligibility conditions for unemployment insurance benefit have recently become more stringent. Increased efforts have been made in many countries to help the unemployed find a job, though this has been coupled with increased pressure on them to search actively for work and remain in contact with the labour market. On the one hand, public employment offices have tried to improve their placement services and the counselling and guidance given to the registered unemployed, which now often include assessment of skills and identification of suitable training courses to enhance these skills. For example, in New Zealand, the Youth Action initiative aims to help young people into employment by assisting them to search actively for appropriate employment, training or education. Young people are assigned a case manager to help them formulate an action plan and regular follow-up interviews are undertaken to provide ongoing assistance. On the other hand, continued payment of unemployment benefits has been made conditional on participation in active labour market programmes or the acceptance of a suitable job offer. It was noted above that, in countries like Australia, Denmark, Finland and the United Kingdom, policy measures have also been launched to combat youth unemployment by combining a shift to active policies with tighter rules on benefits as far as eligibility conditions and job-seeking requirements are concerned.

This new approach through which social protection is offered in exchange for personal commitment to integration, via participation in training, community service or work programmes can be seen as a positive development. It allows all the unemployed, including the most disadvantaged, to receive an offer that is adapted to their specific needs and inclinations. More importantly, it aims to prevent social exclusion rather than cure it. However, "activating social protection" also has some pitfalls, as discussed by Nicaise (p. 347 in this volume). A preventive approach may turn out to be less effective and much more expensive than a remedial one in serving the groups who most need help. Furthermore, those among the latter group who are not covered by social protection will not benefit from the policy measures. A further danger is that of increased exclusion from social protection for those who refuse the offer or drop out. The containment of such risks and the success of this approach in combating social exclusion will depend on the quality of the services provided and on the offer of customised programmes, positive support and sufficient freedom of choice.

Self-employment support

Another form of policy to help the unemployed find a job is support to start a business. Such programmes are offered only on a limited scale in OECD countries and normally they are not targeted exclusively at youths. Evaluation evidence suggests that they usually only work for a small subset of the population, notably higher educated prime-age workers (OECD, 1996c).

Evidence from the ISSP (International Social Survey Programme) survey of 1989 shows that young people have a higher probability of saying that they would choose to be self-employed compared with adults.³⁴ There appears to be some scope, therefore, for helping young people move into self-employment. Some countries are developing measures of this type specifically for youths, where the offer of entrepreneurial skills training is coupled with business start-up loans, loan guarantees and grants. In Sweden, Youth Start Projects are pilot projects that address youths aged less than 20 years and aim to help them find a job or create their own business. Most jurisdictions in Canada now offer entrepreneurial skills training as well as business start-up loans, loan guarantees and grants. One example is Nova Scotia's Centre for Entrepreneurship Education and Development, which acts as a catalyst in the areas of entrepreneurship education, research and programme design, professional development, and community entrepreneurship. The programmes, targeted at people under 30 years of age, have resulted in 25 to 30% of participants starting businesses. In 1997, there were 110 new business starts creating 200 new jobs. However, there has not been much systematic study of the effectiveness of this approach.

In Italy, a law introduced in 1986 aims at promoting youth entrepreneurship in the south by offering generous financial help towards the development of business plans elaborated by youths aged 18-29 years. They are also offered training courses on how to run a company. Some follow-up studies of this programme have yielded encouraging results, as they found that more than half the enterprises so formed have survived longer than three years, which is generally viewed as the necessary running-in time to solve start-up problems and move definitively into the productive economy. However, an evaluation study that uses a control group of non-subsidised enterprises found that the survival of the subsidised firms depends on the existence of the subsidies, and not on the ability of the screener to select good potential firms (Battistin *et al.*, 1998).

CONCLUSIONS

The economic state of the average young person in OECD countries falls short of what is desirable. Despite a decline in the relative numbers of youths and the proliferation of programmes aimed at young people in the past two decades, their employment and earnings position has worsened, in some countries substantially. Another worrying trend is that there has been an increase in the proportion of youths living in households where no other person is employed. On the positive side, more youths are enrolled in education for longer periods of time. This will have a potential pay-off in the future if the additional education increases their competencies and if OECD economies can provide sufficient jobs to absorb them. However, part of this extension of schooling is often a response to adverse labour market conditions.

As long as overall unemployment remains high, it is unrealistic to expect significant improvements in youth labour markets. Youth employment and unemployment are highly responsive to the economic cycle, and the effects of labour market slack are especially detrimental for out-of-school youths, particularly young men. Hence, a sound combination of macroeconomic and structural policies is needed to lay the ground for solving youth labour market problems. However, the large cross-country differences in the levels of, and changes in, youth employment and unemployment rates over the past two decades suggest that other factors are at work, and that more specific policies will be needed. These span over the domains of education, labour market and social policy.

Developing young people's employability is a key policy issue for ensuring their successful transition to the labour market and access to career-oriented employment. Policy in the domain of education can attempt to achieve this by augmenting the quality of initial education/training and by making school diverse, flexible and attractive enough to meet the interests and aspirations of the widest possible range of young people. A common thread in recent initiatives has been to develop more flexible and transparent pathways between education/learning and employment. Many of these initiatives are too recent to evaluate

so it will be essential to carefully monitor them and gather the necessary information for proper evaluation. Enough evidence is available, though, on apprenticeship/dual-type systems in German-speaking countries and Denmark, which have been remarkably successful in giving non-university-bound young people a good start in the labour market. In spite of the challenges they currently face, dual systems provide an attractive model to other countries. However, establishing large-scale apprenticeship systems in countries lacking any such tradition of strong government/employer/union linkages is very difficult. These countries need to consider possibilities for developing solid programmes within their existing institutions and with the co-operation of all the main actors.

Of particular concern to policy makers is the relatively small group of young people who leave school with very limited skills and who find themselves particularly penalised in the labour market. This so-called “hard-core” group of young people is a key problem, some might even argue the problem, in youth labour markets. In the past, much optimism was expressed that short and well targeted active labour market programmes could do much to help these young people. But the impact of such programmes on disadvantaged youths has, to date, been disappointing. There is little evidence to show *why* these policies have not worked, but wisdom suggests that they were over-ambitious given the means they used to attempt to overcome the serious disadvantages of the targeted groups.

One key issue in dealing with the problems of at-risk youths is how best to identify them as early as possible, ideally both before and while they are still in the education system. A second key issue is when and how to effectively assist them. An effective strategy should help prevent at-risk youth from embarking on a vicious circle of cumulative disadvantages and hence from being subject to prolonged periods of joblessness. Reducing early exits from education must remain prime objectives. Outside the education system, the provision of a combination of specially tailored services ranging from remedial education and training to work experience, counselling, and social support seems a promising approach. Important dimensions to consider in the design and implementation of such specific programmes are the establishment of close contacts with the local labour market and co-operation between all levels of governments and between the education, social and labour market authorities. It is also important that these programmes collect information about their results and use them to improve their quality.

But greater success in these objectives, on their own, will not be sufficient. Tackling high and persistent unemployment and other aspects of inequalities are essential parts of any “youth-oriented” policy package. Broad and comprehensive reforms to reduce the large, and in some cases widening, educational and labour market inequalities youths face are urgently needed. Thus, to resolve the youth problem will require much more than a proliferation of youth-oriented programmes.

NOTES

1. OECD (1995) reported estimates of those at risk of failing in school of between 15 and 30%. OECD (1998c) shows drop-out rates from legal compulsory schooling to vary between a few per cent to just under 50%. One-half of the countries for which data are available report drop-out rates of over 10%.
2. In Finland, it is particularly easy to find a flat to rent and students are entitled to a 70% subsidy on normal rent (EUROSTAT, 1997).
3. In Canada and the United States the rise in the fraction of youths remaining with their parents has, in fact, forestalled a deterioration in their relative income (Card and Lemieux, 1997). The family has played an important role in dampening the effect of the decline of the economic status of youth. But even when they live away from home, young people are often not financially independent, e.g. when the dwelling is paid for by their parents.
4. In OECD (1998b), a very simple illustrative approach was adopted in order to compare labour market outcomes for those youths who did and did not work in paid employment during their last year in school. Employment rates in both the first and the fifth year after leaving school were computed – without differentiating by level of educational attainment – from longitudinal data sets in Germany and the United States. The proportion of the samples working during their last year in school was almost 80% in Germany and 53% in the United States. Although in both countries employment rates one year after leaving school were substantially higher for those youths who worked in their last year of school than for those who did not work, the most interesting results related to the employment rates five years later. In the case of the United States, there is considerable persistence in the gap between individuals who worked in their last year of school and those who did not work, whereas it was almost eliminated in Germany. This difference may suggest that Germany has a more structured set of institutions for integrating young people into the labour market than has the United States.
5. OECD (1998f) shows that it is difficult to obtain reliable data on pupils who leave education before finishing their studies. Three alternative measures of drop outs were presented: the proportion of young people who were not participating at the compulsory leaving age; the proportion not participating at the age of 17, when upper secondary education is normally underway; and the proportion not participating at the “expected” year of upper secondary completion.
6. Researchers have used the term “status zero” to describe young people aged 16 and 17 who are not in education, training or employment. The term highlights the relative obscurity of this group in official statistics. A study in an area of high unemployment in Wales suggests that between 16 and 23% of 16 and 17-year olds were at one time or another not in education, training or employment (Rees *et al.*, 1996). They mainly consist of young people with low educational attainment who have rejected education, who survive on family hand-outs and are frequently involved with the informal economy.
7. Employers express concerns about inadequate education, work readiness or “personal” qualities of 16-year-old job seekers and find it hard to recruit 16-year olds of the required calibre (Hasluck *et al.*, 1997).
8. As an illustration, the paths that young people in the United States take in pursuit of their education are less often like “pipelines” and more like “swirls”. Students, by choice or necessity, “swirl” in and out of a variety of educational institutions at different times in their lives (OECD, 1998e).
9. A wide-ranging thematic review of the transition, involving in-depth country-specific studies, is currently being undertaken at the OECD. An interim report provides an initial account of the principal conclusions to emerge from the six countries reviewed in 1997 (OECD, 1998e). The six countries (Australia, Austria, Canada – the provinces of Nova Scotia and Quebec –, the Czech Republic, Norway and Portugal) were selected because they represent a diverse range of social and economic contexts as well as of policy approaches. Eight other OECD countries are in the process of being reviewed in a second round (Denmark, Finland, Hungary, Japan, Switzerland, Sweden, the United Kingdom, and the United States), and a report will be produced in autumn 1999.
10. The Spearman rank correlation coefficient between the two indicators is 0.35 for the 15-19 age group, 0.91 for the 20-24 age group and 0.82 for the 15-24 age group.
11. Incidence in Figure 6 is defined relative to the youth population not to the youth labour force or the total number of youth unemployed – the two more conventional definitions of incidence of long-term unemployment.

12. Difficulties in interpreting earnings data need to be noted in international comparison in general, and for youths in particular. First, the earnings measures and the time period covered are not uniform. For example, the data sometimes refer to annual, sometimes to weekly, and sometimes to monthly earnings. Second, earnings data refer to full-time workers. Ideally, one would prefer data on hourly wage rates, but these data are only available for a few countries.
13. Two caveats need to be given (see OECD, 1996a for more details). First, the measure of low-paid employment is a relative one. It implies that the absolute cut-off point for determining low pay differs across countries. Second, the measure of low-paid employment refers only to full-time workers who earn less than two-thirds of median earnings for all full-time workers.
14. A limitation of this analysis is that it was restricted to continuously employed full-time wage and salary earners. This limitation is particularly problematic for young workers, traditionally over-represented in part-time jobs and in intermittent work.
15. In France for example, the teenage employment-population ratio declined by over 18 percentage points between 1975 and 1996, but OECD (1998b) suggests that the rise in the minimum wage relative to average wages accounted for less than half a percentage point in the decline. An even more dramatic decline in teenage employment occurred in Spain, despite a fall in the relative value of minimum wages to average wages.
16. A minimum wage was introduced in the United Kingdom from April 1999. Youths aged 16 and 17 and all those on formal apprenticeships are exempt. A lower rate is applied to 18-21-year olds and to workers starting a new job with an employer and receiving accredited training. Similarly, in Ireland, a minimum wage is planned to be introduced from April 2000. Workers under the age of 18 will be paid at a lower rate as well as new entrants without experience.
17. The considerable diversity in the way in which minimum wages are set and operated in OECD countries suggests that the detrimental effect of minimum wages on youth employment can easily be exaggerated. Reduced minimum wages exist also for young people undergoing apprenticeship training in many countries and special employment programmes may also allow employers to pay younger workers less than the statutory minimum. Several countries have also used reductions in employer social security contributions to lower the cost of hiring young people while maintaining the real take-home value of the minimum wage.
18. See Tables 3.6 and 3.7 in OECD (1998b).
19. The different data sets preclude any uniformity in the timing of permanent entry. For example, the Australian data refer to labour market entry between 1989-1990, while the timing for American youth ranges between 1981-1988. No formal attempt has been made to determine whether or not the year of entering the labour market had any lasting impact on these young people. Finally, this sub-section measures the evolution of certain labour market outcomes from the date of permanent entry to the labour market. This puts individuals in a similar time frame with a similar exposure to the labour market. Another possibility would consider people at a given age and measure cumulative experience obtained at each age (Pergamit, 1995).
20. Blau and Kahn (1997) find similar American-German differences over the 1980s and 1990s using synthetic cohorts aged 18-29 and 25-36 years old.
21. OECD (1998b) also shows calculations for full- and part-time employment. In general, though the differences are often small, part-time working tends to mean less stable employment histories compared with working in a full-time job.
22. Three points need to be made. First, there can be a problem with retrospective questions in that some people may not accurately recall what their main activity was for each month (Germany and France) or each week (United States) between the annual surveys. Second, all the data are subject to right and left censoring. Finally, the calculations do not take account of the destinations of where the unemployed go to when they do leave unemployment *i.e.* it is not known whether they found a job or dropped out of the labour force. This limitation has implications for assessing welfare issues, especially if one assumes that getting any kind of job is better than remaining jobless. Some prior OECD work for the 1988 Employment Outlook suggested that unemployed Americans were somewhat more likely to find jobs compared with other countries, but were also considerably more likely to leave the labour force.
23. For the details of such a comprehensive strategy and an assessment of how countries' experiences in recent years have matched up to it (see OECD, 1997c, forthcoming).
24. There are different degrees to which the counterfactual component can be implemented. In highly experimental methods, eligible applicants are randomly assigned either to a treatment group or to a control group. The outcomes of the programme for the treatment group are judged against those for the control group. In quasi-experimental methods, the control group of non-participants is selected *ex-post*, with characteristics as similar as possible to those of the treatment group. In weakly experimental evaluations, outcomes for participants may be compared with those of participants in other programmes or with those of persons in nearby non-participant age groups, to prior experiences of the participants themselves or to comparable groups in other countries (Ryan and Büchtemann, 1996).

25. Five-year technical colleges qualify young people both for technician-level occupations and for entry to higher education. Students in their last two years are obliged to complete training periods in enterprises during holidays. Participation in these schools has been growing for many years and is currently close to 25% of the youth cohort, with their graduates continuing to have very good employment prospects.
26. In Austria, the five-year technical colleges qualify young people both for technician-level occupations and for higher education, and, as from the academic year 1997/98, those who have completed apprenticeship will be entitled to enter higher education on the basis of a vocational leaving certificate (Berufsmittelschule). Similarly, in Norway, the 1994 reform enables students in the vocational pathway to qualify for both work and tertiary study.
27. Modern Apprenticeship aims for a National Vocational Qualification (NVQ) at level 3 or above rather than level 2 typical under Youth Training. This latter programme consisted of two years training provided by employers and financed by government. The young persons are usually not apprentices with an employment status, but trainees with a government allowance. Although Youth Training did spread formal training beyond those who might have taken up apprenticeships, its quality was often poor, and the scheme acquired a bad reputation both among employers and young people (Gospel, 1998).
28. In 1991, 20% of migrant children left the education system without a school certificate compared with 30% in the early 1980s. In 1980, only 14% of 15- to 18-year-old foreigners participated in the dual system compared with 37% in 1991 (OECD, 1994).
29. Records from the follow-up service show that, in the school year 1996-1997, there were 7% of youths with a right to education who had a need for guidance and to be followed up. About 4% accepted an offer of education or work during the course of the school year; 1.5% were still being followed up by the counties; less than 0.5% had rejected help from the follow-up service; and about 0.3% proved impossible to trace (OECD, 1998e).
30. At the European Council meeting in Luxembourg on 20-21 November 1997, the European Council approved a number of guidelines for employment policies, which have become common lines of policy for EU member states. These guidelines rest on four main pillars: entrepreneurship; employability; adaptability; and equal opportunities.
31. From 1 January 1998, the Youth Work Guarantee plan has been replaced by the new "Jobseekers Employment Act" (WIV), which also covers older long-term unemployed persons.
32. In Spain, restrictions on the applicability of fixed-term contracts were largely reduced in 1984. However, during the 1990s the number of reasons for entering into such types of contract were again restricted. In Germany, fixed-term contracts without the obligation to specify an objective reason were introduced with the Employment Promotion Act of 1985. Restrictions on the maximum number and duration of such contracts were further relaxed during the 1990s. In France, there have been several attempts to introduce flexibility in the use of atypical employment since 1972: after a substantial relaxation of restrictions for fixed-term contracts in 1985/86, regulations were tightened again in 1989/90, in particular concerning the maximum duration and maximum number of successive contracts.
33. The Italian and Spanish data refer to all youths leaving education, while the French data refer to low-skilled youth with less than upper secondary education. The time over which individuals are observed also differs. It is a six-year period for France and Italy, but just 15 months for Spain. Finally, the Italian data cover only wage and salary workers.
34. The survey covers nine countries (Austria, West Germany, Hungary, Ireland, Italy, Netherlands, Norway, United Kingdom and the United States). On average, 54% of young people aged less than 30 years responded they would prefer to be self employed, against 47% of people aged 30 years or over. Young Italians had the highest probability (73%) of saying that they would like to set up their own business.

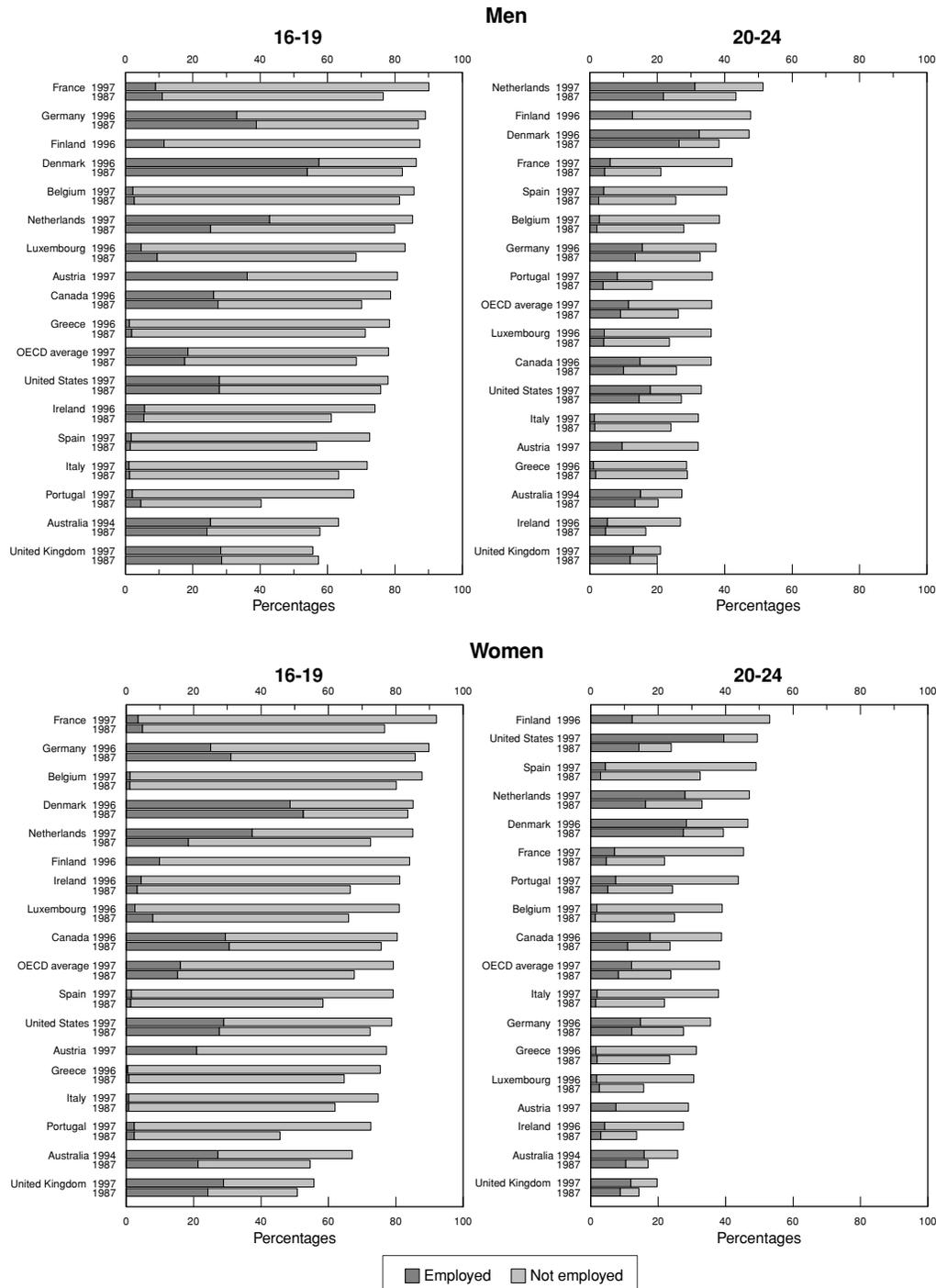
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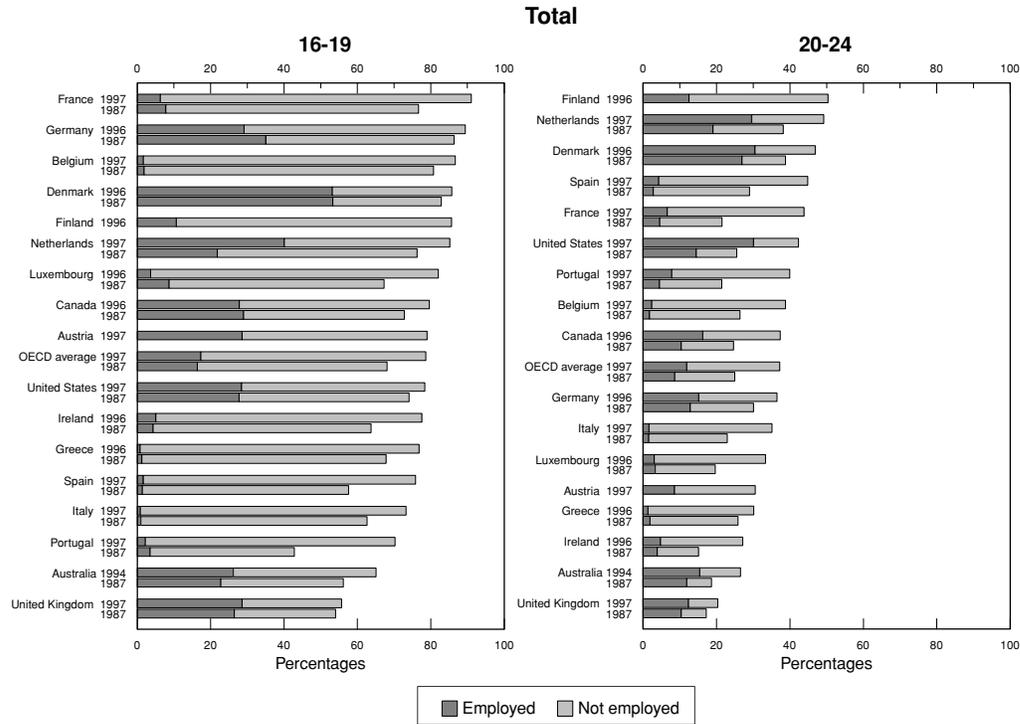
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Figure 1
Proportion of young people attending school by age, gender and labour force status^a



a) Countries are ranked in descending order of the total percentage of youth attending school in the latest available year.
 Source: OECD School-to-work Database.

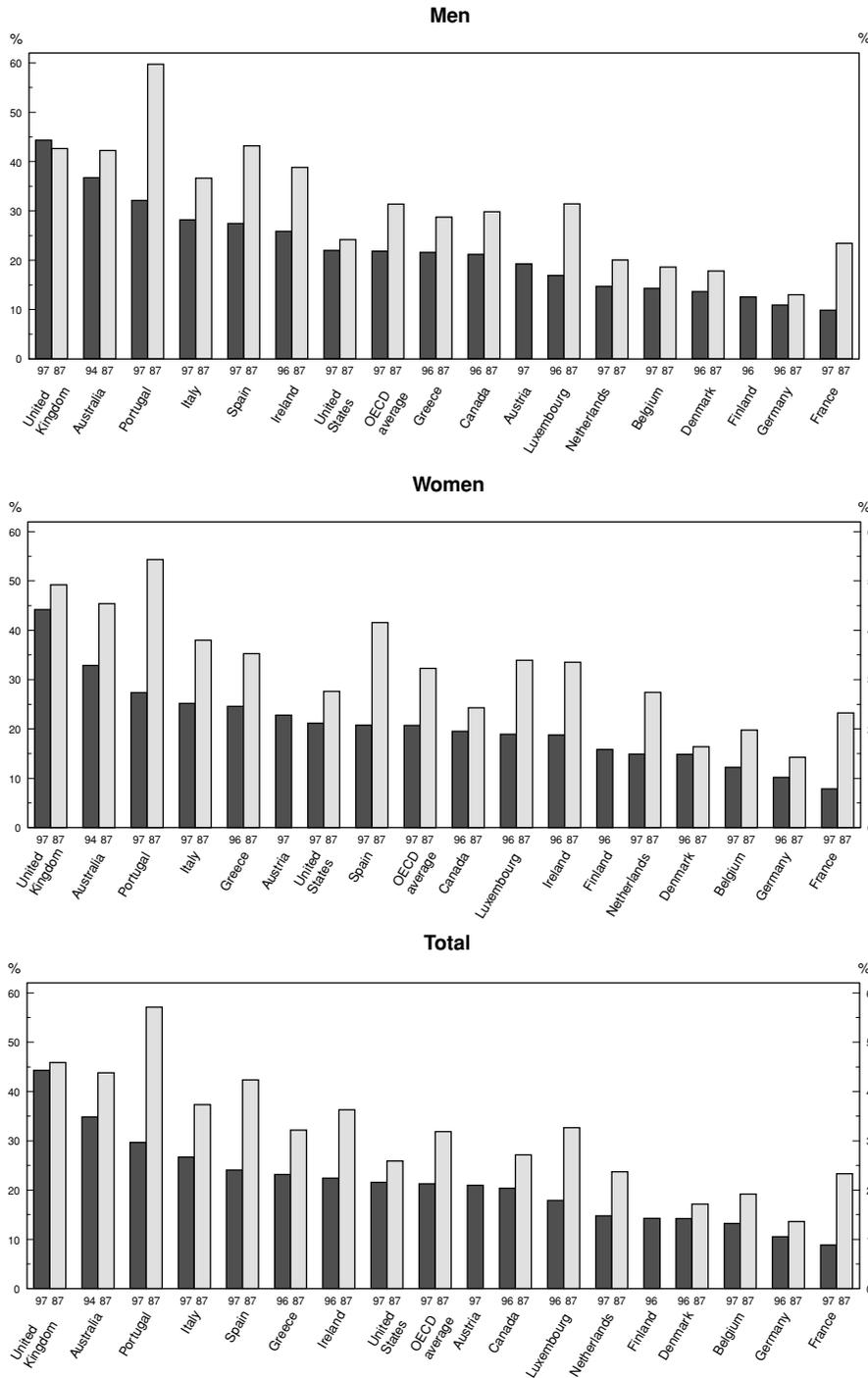
Figure 1 (cont.)
Proportion of young people attending school by age, gender and labour force status^a



a) Countries are ranked in descending order of the total percentage of youth attending school in the latest available year.

Source: OECD School-to-work Database.

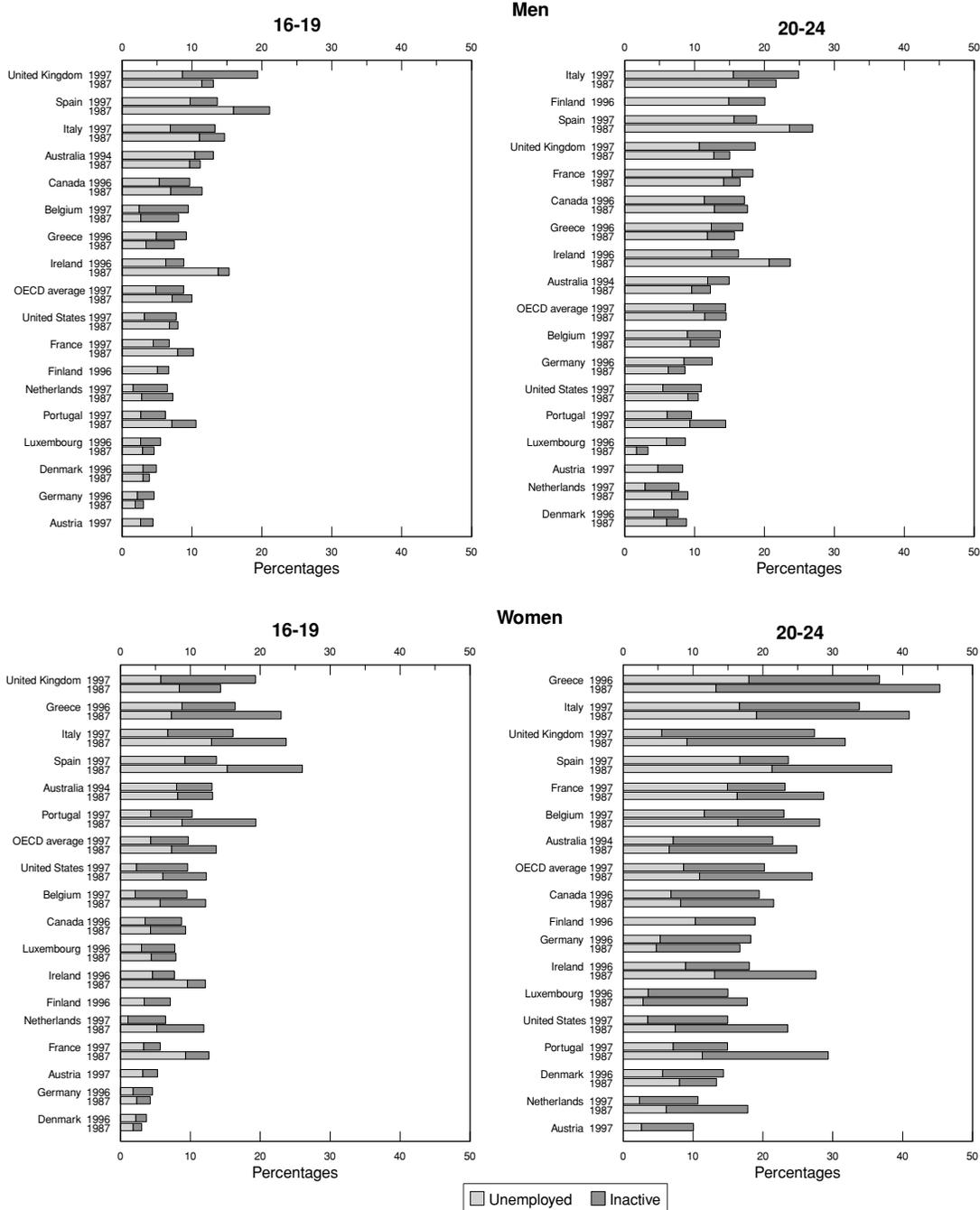
Figure 2
Proportion of teenagers not attending school by gender



a) Countries are ranked in descending order of the total percentage of 16-19 not attending school in the latest available year.

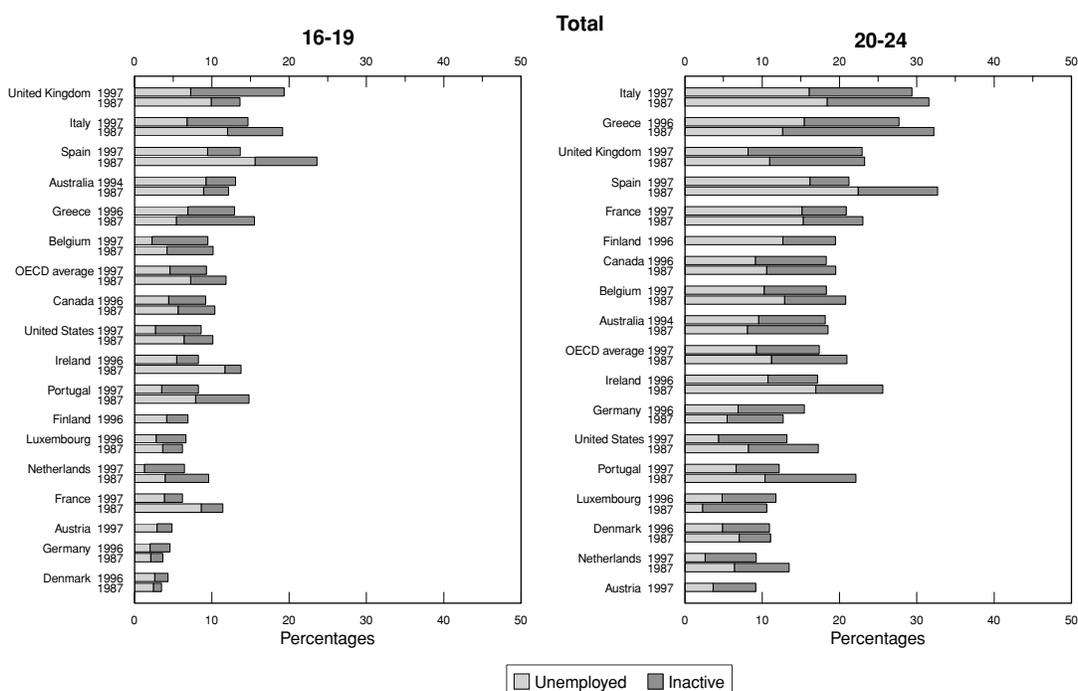
Source: OECD School-to-work Database.

Figure 3
Proportion of young people not attending school and not employed by age and gender^a



a) Countries are ranked in descending order of the percentage of youth not attending school and not in employment in the latest available year.
 Source: OECD School-to-work Database.

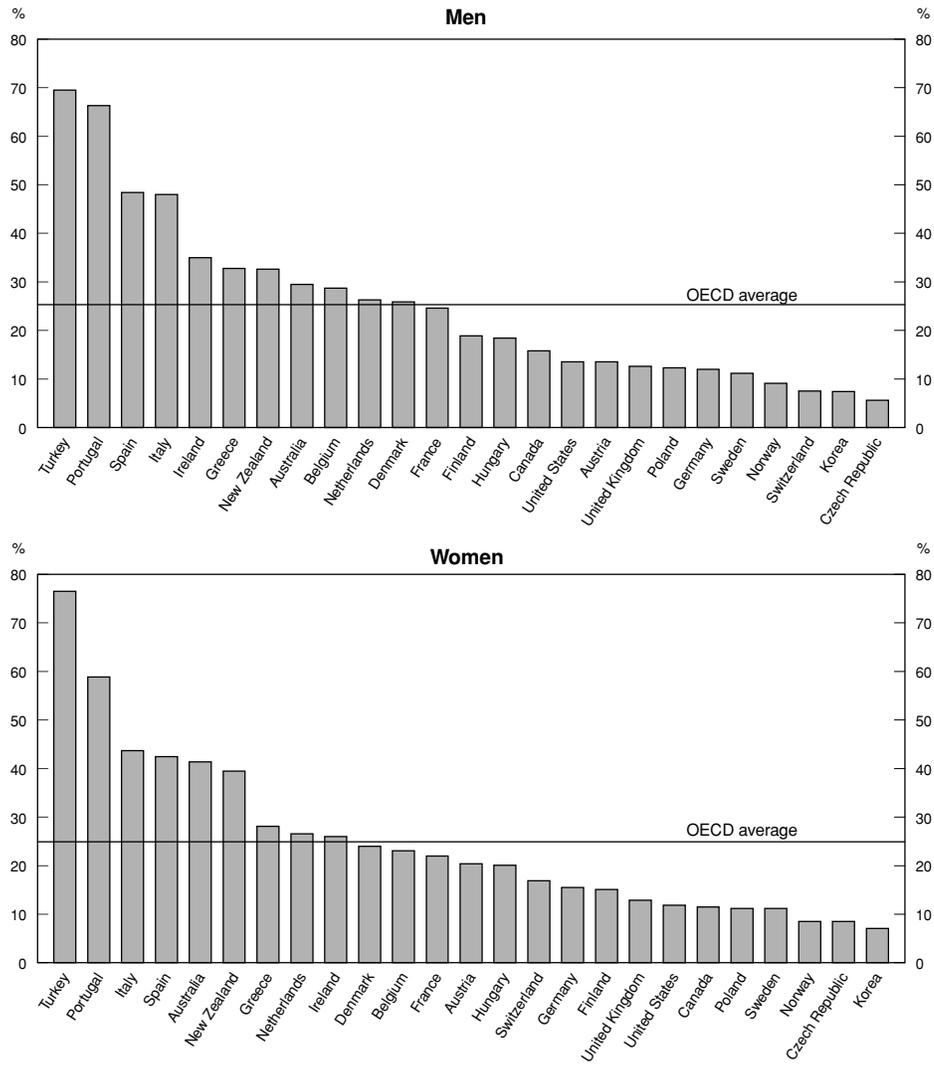
Figure 3 (cont.)
Proportion of young people not attending school and not employed by age and gender^a



a) Countries are ranked in descending order of the percentage of youth not attending school and not in employment in the latest available year.

Source: OECD School-to-work Database.

Figure 4
Young people aged 25-29 with low educational attainment by gender, 1996 ^{a, b}
 As a percentage of all youth aged 25-29

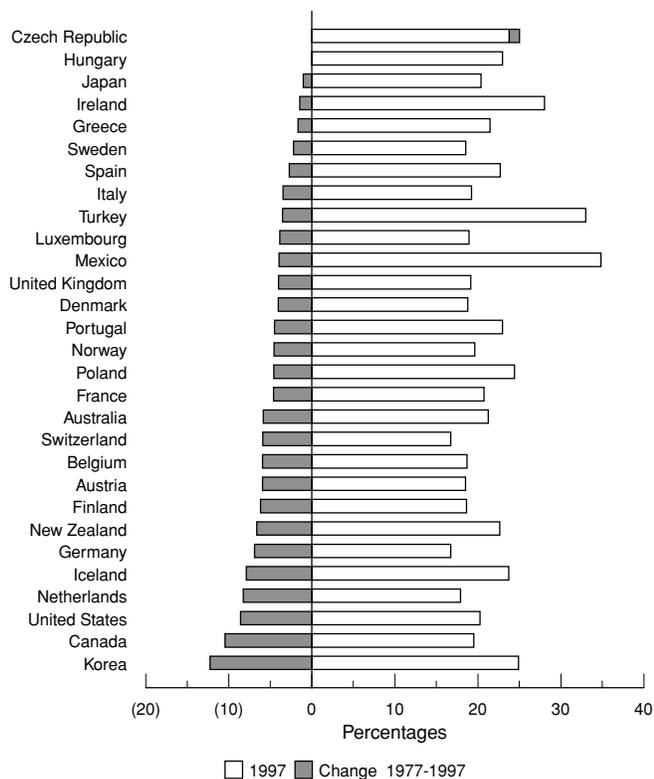


a) Low educational attainment corresponds to less than upper secondary. Data refer to 1995 for New Zealand, Poland and Turkey.

b) Countries are ranked from left to right in descending order of the proportion with low educational attainment.

Source: OECD Education Database.

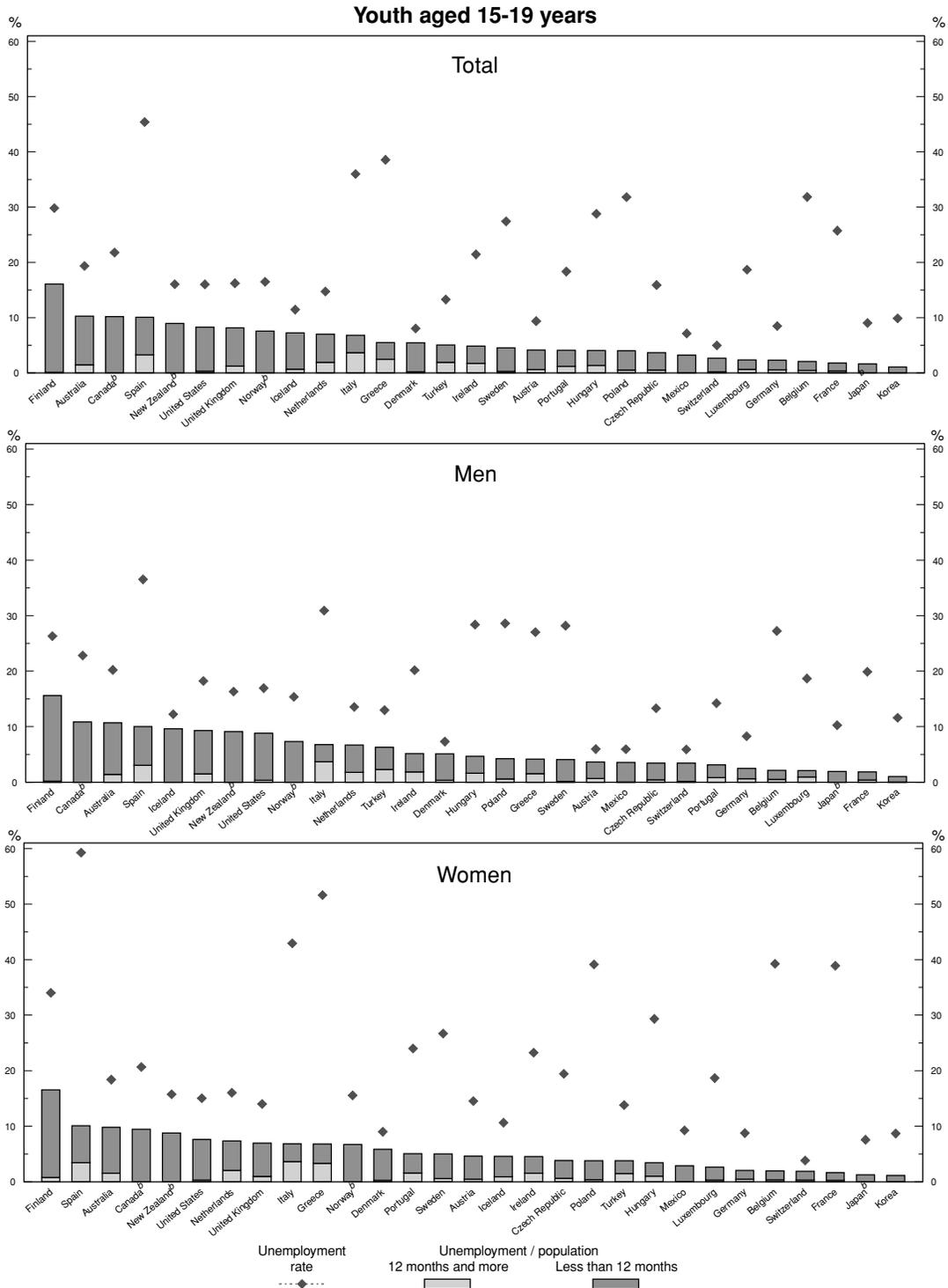
Figure 5
Youth (15-24) share of the working age (15-64) population, 1997^a



a) Countries are ranked from top to bottom in ascending order of the absolute level of the percentage point changes over the period 1977-1997.

Source: United Nations projection demographic data, 1996.

Figure 6
Unemployment indicators, 1997^a



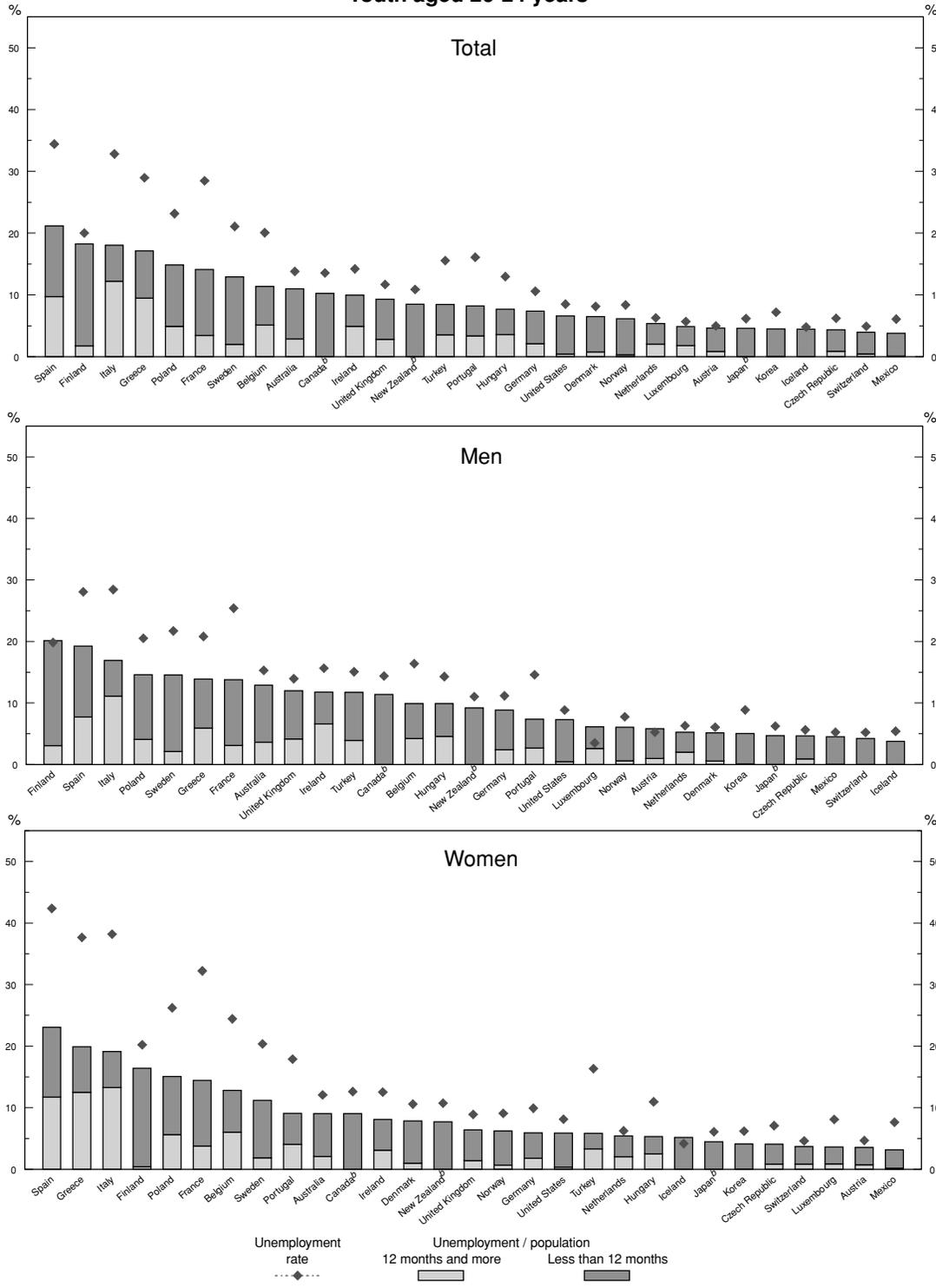
a) Countries are ranked from left to right in descending order of the unemployment/population ratio.

b) No breakdown by duration of unemployment is available.

Source: OECD Database on unemployment duration and EUROSTAT.

Figure 6 (cont.)
Unemployment indicators, 1997^a

Youth aged 20-24 years

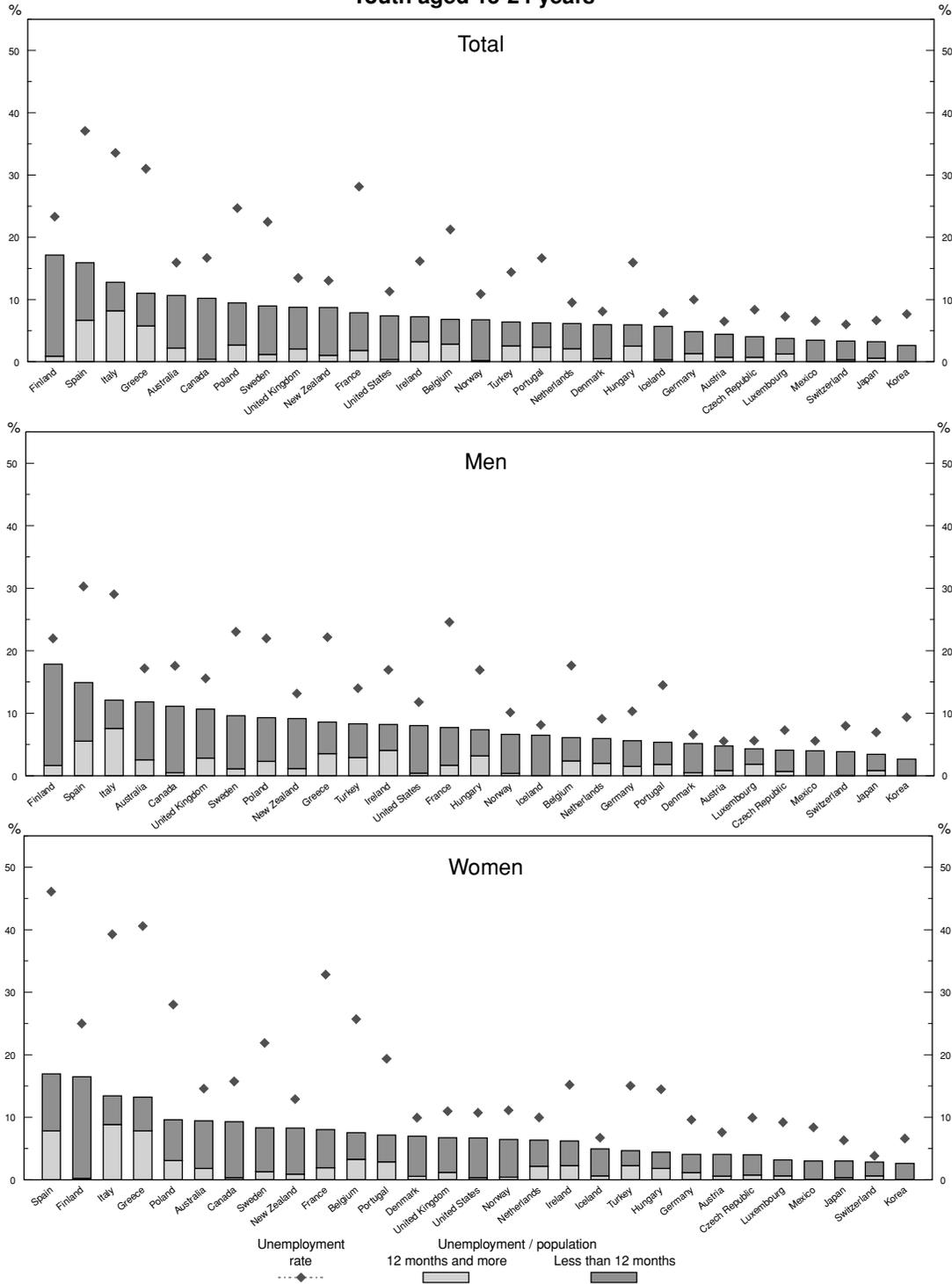


a) Countries are ranked from left to right in descending order of the unemployment/population ratio.

b) No breakdown by duration of unemployment is available.

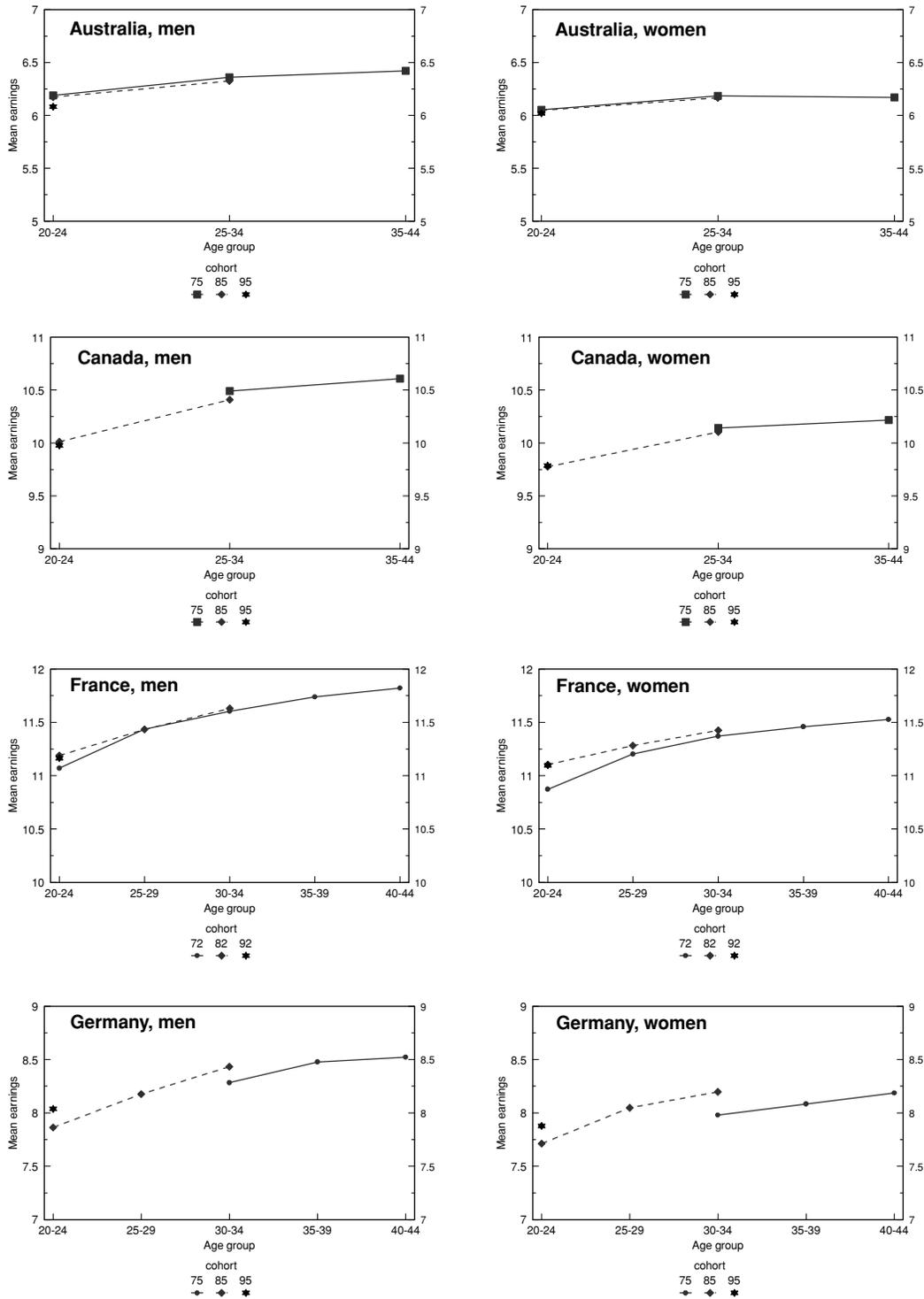
Source: OECD Database on unemployment duration and EUROSTAT.

Figure 6 (cont.)
Unemployment indicators, 1997^a
Youth aged 15-24 years



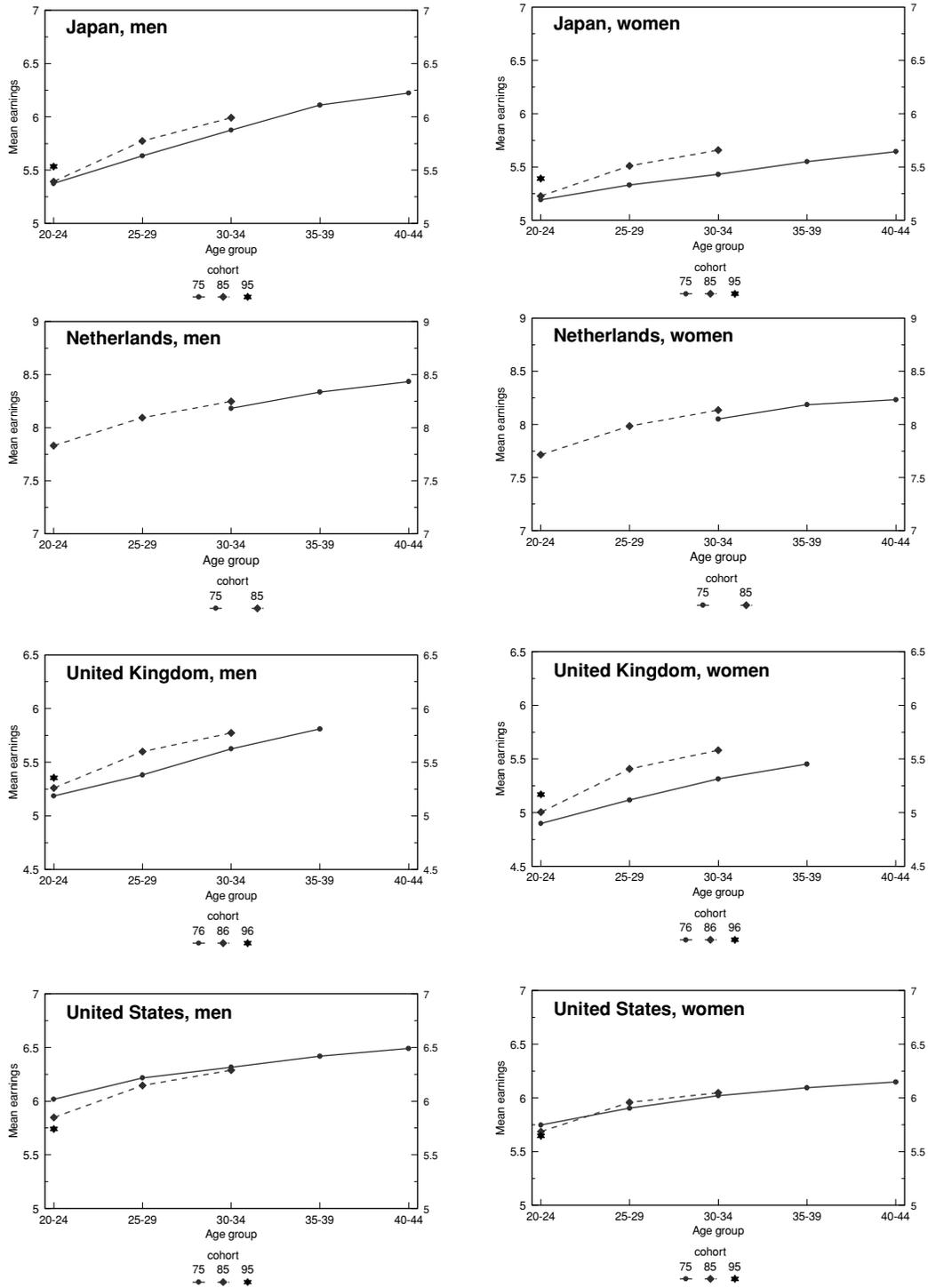
a) Countries are ranked from left to right in descending order of the unemployment/population ratio.
 Source: OECD Database on unemployment duration and EUROSTAT.

Figure 7
Age-earnings profiles for different cohorts of workers by gender
 Log of earnings in national currency at 1990 prices



Source: OECD Earnings Database.

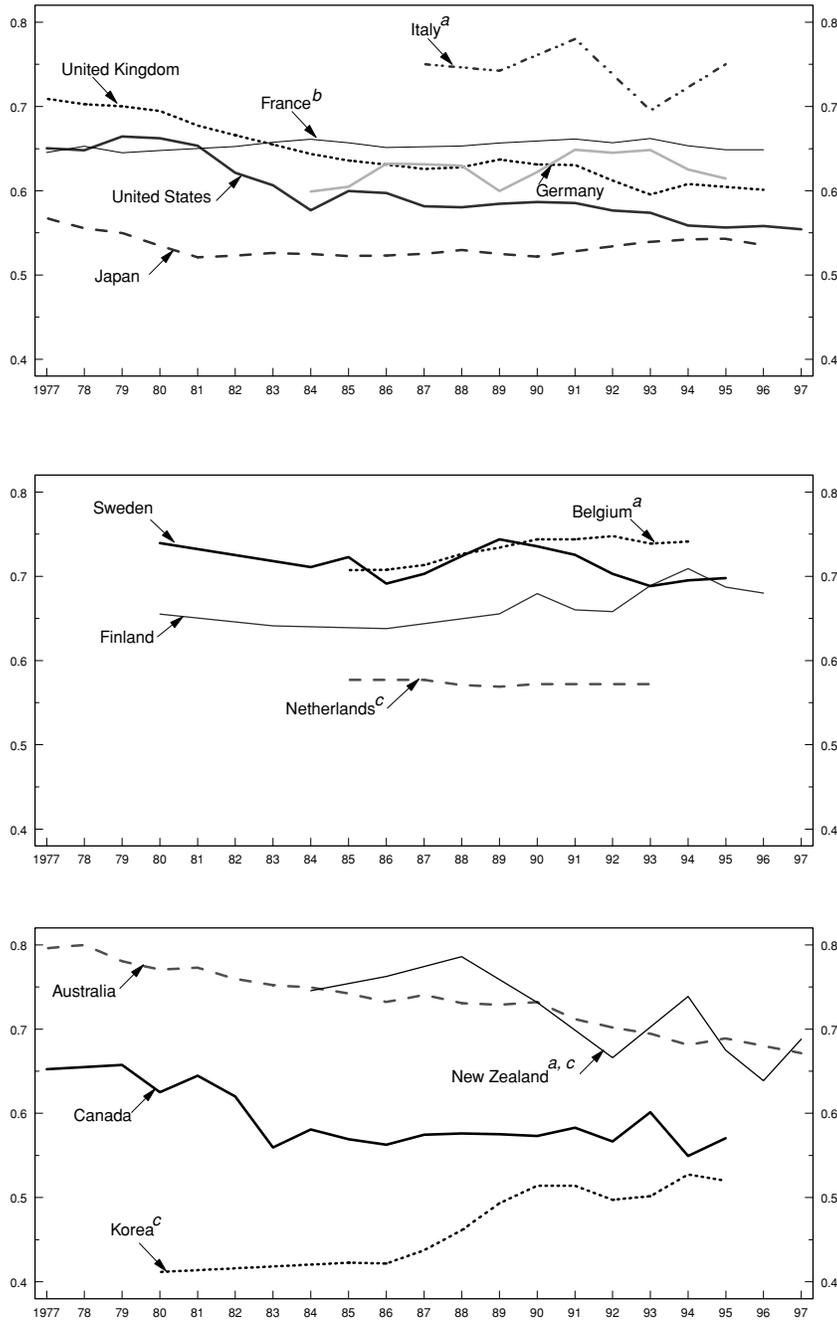
Figure 7 (cont.)
Age-earnings profiles for different cohorts of workers by gender
 Log of earnings in national currency at 1990 prices



Source: OECD Earnings Database.

Figure 8
Mean earnings for youth aged 20-24 years relative to other workers aged 35-44 years, 1977-1997

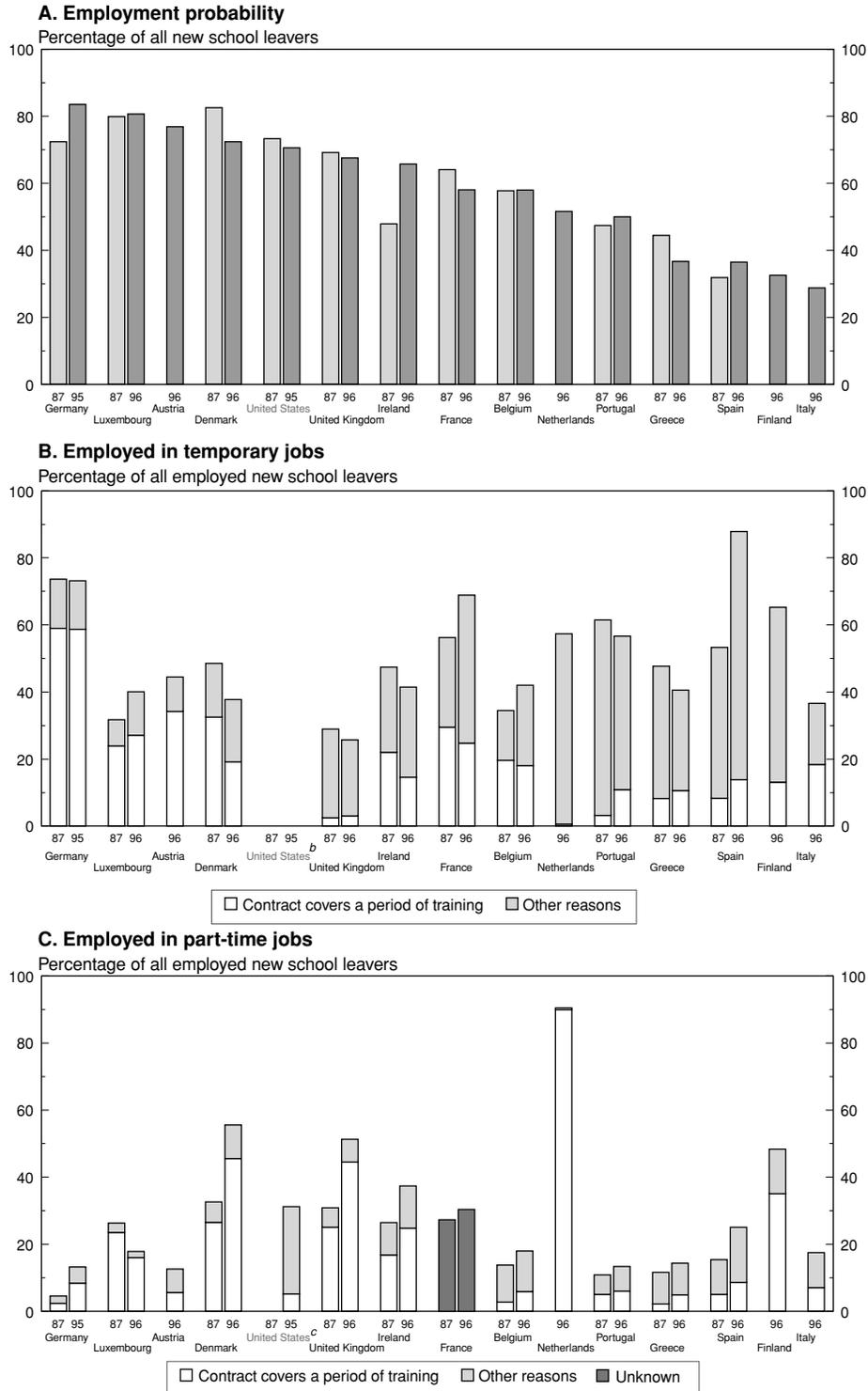
Total



a) Data refer to median earnings.
 b) Earnings for workers aged 21-25 relative to those aged 31-40.
 c) Earnings for workers aged 20-24 relative to those aged 40-44.
 Source: OECD Earnings Database.

Figure 9

Employment of new school-leavers aged 16-24 years one year after leaving school ^a



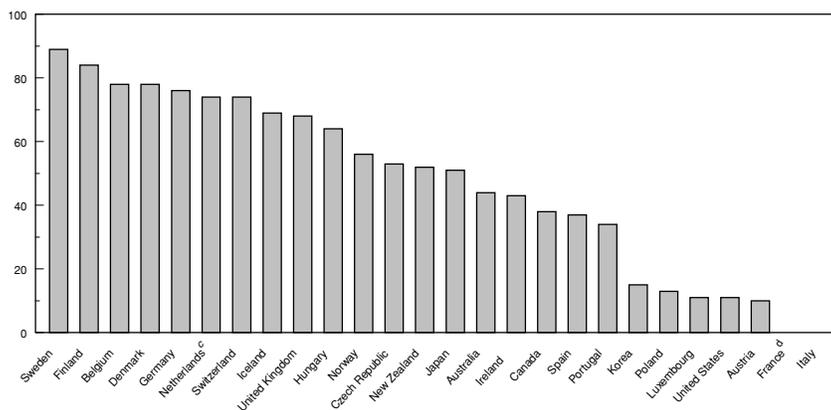
a) Countries are ranked in descending order the employment probability.

b) Data on temporary jobs are not available.

c) Data for 1987 are not available.

Source: OECD (1998b).

Figure 10
Net replacement rates^a for young people,^b 1995
 Unemployment, housing benefits and social assistance benefits



a) Net replacement rates at 66.7% of the average production worker (APW) level of earnings. The chart abstracts from the presence of waiting periods and compares the maximum obtainable benefit levels. For further details, see OECD (1998g).

b) Unemployed single person of 20 years of age, living alone without family responsibilities and without an employment record.

c) Benefit payable to a 21-years-old individual. Young unemployed job-seekers do not have any benefit entitlement in theory, unless they can demonstrate a real need.

d) People under 25 are not entitled to the social assistance benefit (RMI).

Source: OECD Database on Benefit Systems and Work Incentives.

Table 1. **Life satisfaction in European countries by age groups, 1975-1996**

	Employed	Unemployed	Not in the labour force	Employed	Unemployed	Not in the labour force
	Percentage of persons very or fairly satisfied			Percentage of persons not at all satisfied		
15-19 years	87	72	90	3	8	2
20-24 years	87	67	88	3	9	2
25-54 years	85	63	84	3	12	4

Source: Calculated from Eurobarometer surveys 1975-1996 by David Blanchflower, Dartmouth College, United States.

Table 2. **Opinions on the importance of work, 1989**
Percentage of persons who strongly agree or who agree

	Less than 25-years-old	25-years-old and over	All
Work is a person's most important activity			
Employed	39	46	45
Unemployed	55	52	53
Out of the labour force	33	55	52
All	38	50	48
Would enjoy having a paid job even if I didn't need the money			
Employed	67	67	67
Unemployed	72	68	69
Out of the labour force	51	66	68
All	67	60	61

Source: International Social Survey Programme dataset covering nine countries (Austria, West Germany, Hungary, Ireland, Italy, the Netherlands, Norway, United Kingdom and the United States).

Table 3. **Young people living with their parents by age and gender, 1985 and 1996/97**

	15-19				20-24				25-29	
	Men		Women		Men		Women		Men	Women
	1985	1996	1985	1996	1985	1997	1985	1997	1997	1997
Australia ^d	87.4	87.3	83.1	81.9	49.6	50.2	30.5	36.5	..	..
Austria	..	94.8	..	91.8	..	76.5	..	58.7	40.7	20.5
Belgium	97.1	92.6	94.8	93.5	76.3	68.7	57.7	58.6	23.5	13.5
Canada ^b	88.9	90.8	82.2	84.7	49.8	53.4	30.4	39.1	..	..
Finland	..	50.9	..	47.5	..	17.6	..	9.4	7.0	2.3
France	94.9	94.1	88.8	91.1	55.8	62.4	35.7	44.1	23.2	11.4
Germany	95.1	95.5	91.8	92.1	64.3	65.1	42.9	45.1	27.1	11.9
Greece	93.8	94.8	88.4	92.7	74.2	80.6	48.6	68.2	65.5	38.7
Ireland	95.3	91.1	93.4	88.0	73.0	66.3	56.0	49.5	39.3	25.2
Italy	97.2	96.6	95.9	95.8	87.4	92.7	67.7	85.1	72.5	51.8
Luxembourg	92.8	95.2	89.8	93.4	74.0	71.8	55.0	57.1	36.6	21.9
Netherlands ^c	95.6	96.7	92.4	93.3	64.0	61.3	39.6	37.2	19.5	6.1
Portugal ^c	93.7	92.9	90.3	89.5	80.6	87.9	68.1	76.3	65.9	50.3
Spain ^c	95.4	95.1	94.1	94.0	89.0	92.4	77.8	88.2	72.2	56.6
United Kingdom	94.4	92.9	87.2	87.3	56.9	55.0	33.8	35.8	22.5	11.9
United States ^d	89.9	87.9	85.4	83.7	49.5	50.0	36.3	38.0	..	..
OECD unweighted average	93.7	93.1^d	89.8	90.1^d	67.5	68.4^d	48.6	54.2^d	39.7	24.8

.. Data not available.

a. 1986 and 1996.

b. 1985 and 1996

c. 1988 instead of 1985.

d. To be compared with 1985, the OECD unweighted average does not include Austria and Finland.

Sources: OECD (1998b); EUROSTAT, Labour Force Surveys.

Table 4. **Why young people leave their parental home later?** ^{a, b}
by gender, 15-24 years old, in 1997
Percentages

	Can't afford to move out		Want all the home comforts without all the responsibilities		Want to save up to make a good start later		Not enough suitable housing available for young people		Parents don't impose such strict rules on young people in the home as they used to		Get married or move in with their partner later than they used to	
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Austria	54.4	61.1	27.7	30.7	28.0	33.4	46.9	43.0	26.7	26.6	29.3	27.0
Belgium	62.7	58.5	37.3	42.5	41.5	42.9	19.0	18.0	32.7	30.6	26.5	29.9
Denmark	65.4	61.9	35.3	34.0	36.6	40.1	39.9	49.3	27.1	34.0	18.6	22.4
Finland	75.2	81.9	35.8	31.1	41.0	43.0	32.2	35.2	32.6	31.4	18.9	20.8
France	86.2	86.1	32.1	30.2	32.5	37.6	22.0	16.3	32.5	28.8	27.5	34.6
Germany	62.7	61.6	33.7	35.3	30.9	34.1	30.3	28.2	35.7	34.4	32.4	37.0
Greece	62.9	73.7	39.1	36.5	36.2	31.7	8.1	8.5	21.2	30.7	20.8	23.9
Ireland	70.7	72.0	41.7	41.3	38.8	36.9	21.2	28.3	24.4	23.5	14.0	17.7
Italy	69.8	73.6	42.6	41.4	24.9	28.8	15.7	19.0	32.8	34.2	25.9	27.8
Luxembourg	56.3	47.4	40.8	37.1	44.7	49.5	18.4	25.8	24.3	41.2	45.6	41.2
Netherlands	69.6	75.2	42.5	40.5	36.3	44.2	32.7	41.5	27.1	24.5	32.7	25.9
Portugal	60.2	70.6	23.4	19.6	40.8	39.5	38.2	45.3	28.9	22.3	28.9	27.0
Spain	77.9	83.3	27.4	29.7	31.6	28.7	31.3	32.8	16.0	14.0	35.2	32.4
Sweden	94.5	96.2	30.3	22.5	47.2	51.5	28.3	38.9	14.3	14.3	20.2	24.6
United Kingdom	75.6	81.3	43.2	41.3	32.7	33.6	37.1	40.3	22.2	20.5	10.0	16.4
European Union	72.6	75.7	35.8	35.3	32.1	34.4	27.4	28.3	28.0	27.0	25.9	28.8

a. The question posed was: Some people say that, nowadays, adolescents and young adults tend to live longer in their parents' homes than they used to.

What do you think are the three main reasons for this?

1. Young people can't afford to move out.
2. Young people get married or move in with their partner later than they used to.
3. There's not enough suitable housing available for young people.
4. Young people want to save up so they can make a good start later.
5. Sharing accommodation with friends etc. isn't as popular as it used to be.
6. They want all the home comforts without all the responsibilities.
7. These days, parents don't impose such strict rules on young people in the home as they used to.
8. Parents need their children to help out financially.
9. Young people move out just as soon as they used to if not sooner (SPONTANEOUS).
10. Other reasons (SPONTANEOUS). Don't know.

b. Percentages can exceed 100 since these are multiple responses.

Source: Eurobarometer 47.2 on Young Europeans, Spring 1997.

Table 5. **Where do young people aged 15-24 years get most of their financial resources?^a**
1997

	Parents or family	Partner	Regular job	Casual work	Work in the underground economy	Unemployment/ social security benefits	Training allowance/ educational grant
Austria	41.0	3.2	45.5	8.2	1.7	4.7	13.5
<i>With a job</i>	9.6	3.2	82.6	2.8	1.8	1.1	10.3
<i>Students</i>	77.5	1.1	11.4	12.5	0.7	1.8	18.5
<i>Neither with a job nor studying</i>	17.0	14.9	19.1	14.9	6.4	44.7	4.3
Belgium	48.0	5.8	33.0	9.2	2.7	10.3	2.3
<i>With a job</i>	12.6	6.9	78.8	6.1	0.0	1.3	0.0
<i>Students</i>	87.9	1.5	2.9	14.3	5.1	1.5	3.7
<i>Neither with a job nor studying</i>	20.6	16.5	9.3	2.1	2.1	56.7	4.1
Denmark	18.7	1.7	64.8	3.5	4.2	8.5	28.2
<i>With a job</i>	3.4	2.4	94.7	2.9	7.8	3.4	6.8
<i>Students</i>	29.2	0.6	54.9	4.1	2.4	3.2	45.7
<i>Neither with a job nor studying</i>	12.7	5.5	14.5	1.8	1.8	60.0	0.0
Finland	40.5	2.7	24.7	19.5	0.8	15.2	25.3
<i>With a job</i>	9.2	1.7	78.2	10.1	0.8	10.9	2.5
<i>Students</i>	52.7	1.7	12.9	23.8	1.0	6.3	35.0
<i>Neither with a job nor studying</i>	23.2	10.1	2.9	8.7	0.0	73.9	7.2
France	47.8	8.3	40.2	14.7	7.0	5.7	5.3
<i>With a job</i>	14.1	9.0	87.5	5.1	2.7	3.9	1.2
<i>Students</i>	83.2	2.7	3.9	22.7	9.8	1.2	11.3
<i>Neither with a job nor studying</i>	42.7	22.5	7.9	18.0	10.1	23.6	1.1
Germany	37.8	4.9	51.2	15.8	2.4	7.8	5.8
<i>With a job</i>	14.8	1.4	84.4	7.8	1.7	1.1	5.1
<i>Students</i>	80.1	2.7	13.9	30.3	2.5	1.0	8.7
<i>Neither with a job nor studying</i>	22.3	25.7	8.1	10.8	5.4	55.4	1.4
Greece	50.8	5.3	40.5	5.3	0.3	1.7	0.0
<i>With a job</i>	9.2	1.5	86.0	5.9	0.4	1.8	0.0
<i>Students</i>	94.0	0.5	2.5	5.0	0.0	0.5	0.0
<i>Neither with a job nor studying</i>	71.5	20.8	4.6	4.6	0.0	3.8	0.0
Ireland	38.0	2.2	36.8	12.0	1.3	13.2	4.7
<i>With a job</i>	6.5	0.5	89.7	3.8	0.5	2.2	0.5
<i>Students</i>	66.2	1.3	15.6	19.8	1.6	1.9	7.5
<i>Neither with a job nor studying</i>	10.3	7.5	6.5	4.7	1.9	64.5	3.7

Table 5. **Where do young people aged 15-24 years get most of their financial resources?^a**
1997 (cont.)

	Parents or family	Partner	Regular job	Casual work	Work in the underground economy	Unemployment/ social security benefits	Training allowance/ educational grant
Italy	67.5	2.3	26.2	15.5	3.5	0.2	1.3
<i>With a job</i>	14.9	3.7	85.7	7.5	2.5	0.0	1.9
<i>Students</i>	91.4	0.6	3.7	16.3	3.1	0.3	1.5
<i>Neither with a job nor studying</i>	73.9	5.2	6.1	24.3	7.0	0.0	0.0
Luxembourg	58.0	5.5	37.5	23.0	7.0	1.5	4.5
<i>With a job</i>	16.7	4.2	91.7	8.3	5.6	1.4	0.0
<i>Students</i>	85.6	4.5	6.3	35.1	5.4	0.9	7.2
<i>Neither with a job nor studying</i>	52.9	11.8	5.9	0.0	23.5	5.9	5.9
Netherlands	32.5	4.7	33.8	22.8	3.8	5.7	24.7
<i>With a job</i>	5.9	5.0	71.7	15.1	2.3	3.7	2.7
<i>Students</i>	55.8	1.6	12.9	28.1	4.4	0.9	44.2
<i>Neither with a job nor studying</i>	7.8	18.8	6.3	23.4	6.3	35.9	3.1
Portugal	50.7	3.3	47.0	5.0	1.0	1.3	1.7
<i>With a job</i>	15.6	2.3	87.9	3.6	1.0	0.0	0.0
<i>Students</i>	93.0	0.4	3.0	6.1	1.3	0.9	4.3
<i>Neither with a job nor studying</i>	65.6	18.8	9.4	7.8	0.0	9.4	0.0
Spain	62.3	2.8	35.8	10.8	1.5	2.0	1.5
<i>With a job</i>	26.7	1.5	85.9	6.8	0.5	0.0	0.0
<i>Students</i>	91.9	1.2	6.5	9.6	1.2	0.4	3.5
<i>Neither with a job nor studying</i>	60.4	8.2	16.4	19.4	3.7	8.2	0.0
Sweden	34.2	1.2	29.5	18.7	3.2	11.7	10.3
<i>With a job</i>	3.4	0.0	82.7	10.6	5.0	8.4	7.3
<i>Students</i>	52.4	1.7	7.3	22.8	2.5	4.8	12.4
<i>Neither with a job nor studying</i>	21.2	1.5	4.5	18.2	1.5	59.1	9.1
United Kingdom	17.4	6.1	56.8	6.3	0.5	18.3	2.8
<i>With a job</i>	4.2	3.6	89.6	2.4	0.4	2.9	1.6
<i>Students</i>	58.3	0.6	29.2	17.3	0.0	3.0	7.7
<i>Neither with a job nor studying</i>	12.1	17.0	1.6	4.9	1.1	70.3	0.5
European Union	45.0	4.7	41.5	12.6	2.9	6.8	5.2
<i>With a job</i>	12.6	3.6	85.9	6.0	1.6	1.9	2.4
<i>Students</i>	79.9	1.6	9.7	18.7	3.5	1.3	9.9
<i>Neither with a job nor studying</i>	41.4	14.9	7.6	14.5	4.6	32.5	0.9

a. The question posed was: Where do you get most of your money from? (several answers possible) My regular job; Unemployment or social security benefits; Training allowance or educational grant; My parents or family; Casual work; My partner; Work in the underground economy; Others.

Source: Eurobarometer 47.2 on Young Europeans. Spring 1997.

Table 6a. **Proportion of unemployed young people in households where no other person is employed, 1985 and 1996** (Percentages)

	15-19		20-24	
	1985	1996	1985	1996
Australia ^a	26.4	22.8	37.1	36.3
Austria	..	18.4	..	21.6
Belgium	20.2	33.9	28.3	38.8
Canada	21.7	24.1	39.7	40.9
Finland	..	23.5	..	64.6
France	19.2	25.8	27.9	29.8
Germany ^b	17.5	36.3	36.6	45.5
Greece	18.6	16.1	25.7	23.6
Ireland	27.9	40.5	35.0	43.5
Italy	12.4	21.5	21.1	27.1
Mexico	..	8.5	..	8.5
Netherlands ^c	22.3	17.8	48.6	44.5
Portugal ^c	8.9	9.5	15.1	18.6
Spain ^c	20.0	22.6	24.1	26.2
Switzerland	..	4.8	..	22.5
United Kingdom	26.6	32.4	44.1	48.7
United States ^a	20.6	18.8	39.6	40.1
OECD unweighted average	20.2	24.8^d	32.5	35.7^d

.. Data not available.

a. 1986 instead of 1985.

b. Data for Germany relate to west Germany for 1985, but to the whole of Germany for 1996.

c. 1988 instead of 1985.

d. To be compared with 1985, the OECD unweighted average does not include Austria, Finland, Mexico and Switzerland.

The averages are 22.2 and 34.2 for those aged 15-19 and those aged 20-24, respectively, when these four countries are included.

Source: OECD (1998b).

 Table 6b. **Proportion of young people not in the labour force in households where no other person is employed, 1985 and 1996** (Percentages)

	15-19		20-24	
	1985	1996	1985	1996
Australia ^a	12.8	19.0	29.6	36.8
Austria	..	5.8	..	27.8
Belgium	11.0	14.0	16.3	20.1
Canada	17.4	19.4	34.8	36.8
Finland	..	17.6	..	57.3
France	11.4	12.7	29.2	37.2
Germany ^b	8.1	9.5	29.9	31.5
Greece	14.6	12.1	27.5	35.4
Ireland	14.5	18.7	36.6	44.0
Italy	6.9	11.0	11.9	18.3
Mexico	..	5.7	..	5.7
Netherlands ^c	13.7	12.8	38.3	38.3
Portugal ^c	7.2	6.8	12.5	15.3
Spain ^c	10.1	12.2	14.3	14.0
Switzerland	..	1.5	..	15.4
United Kingdom	16.1	19.5	45.8	54.9
United States ^a	15.2	15.0	30.7	35.3
OECD unweighted average	12.2	14.1^d	27.5	32.1^d

.. Data not available.

a. 1986 instead of 1985.

b. Data for Germany relate to west Germany for 1985, but to the whole of Germany for 1996.

c. 1988 instead of 1985.

d. To be compared with 1985, the OECD unweighted average does not include Austria, Finland, Mexico and Switzerland.

The averages are 12.5 and 30.8 percent for those aged 15-19 and those aged 20-24, respectively, when these four countries are included.

Source: OECD (1998b).

Table 7. **Unemployment rates for young adults (25-29) by educational attainment and gender, 1996**
Percentages

	Men				Women			
	Less than upper	Upper secondary	University/ tertiary	Total	Less than secondary	Upper secondary	University/ tertiary	Total
Australia	13.4	6.6	5.6	8.3	10.4	7.8	4.1	7.5
Austria	8.6	3.4	3.9	4.2	8.5	2.8	7.6	4.3
Belgium	13.0	6.0	3.4	7.2	29.1	17.4	6.5	14.8
Canada	20.2	12.5	7.8	11.1	23.6	10.8	7.4	9.5
Czech Republic	17.6	1.9	0.9	2.5	18.2	5.6	1.4	6.0
Denmark	14.9	5.6	6.0	8.8	24.3	9.4	6.3	12.4
Finland	25.8	15.3	8.0	15.6	32.9	19.0	11.5	18.8
France	21.1	12.1	11.1	14.1	32.4	18.4	12.9	19.1
Germany	18.6	7.4	6.2	8.5	15.8	7.7	5.6	8.2
Greece	8.2	9.9	16.8	11.0	26.7	24.1	24.2	24.6
Hungary	20.5	8.7	2.7	10.0	21.4	12.5	5.3	12.4
Ireland	24.7	8.5	5.6	13.2	24.5	7.3	4.5	9.3
Italy	14.1	15.4	27.3	15.4	22.0	20.2	34.0	22.3
Korea	3.5	3.6	5.2	4.1	1.7	1.9	2.1	2.0
Netherlands	9.0	4.0	6.9	6.0	8.0	5.1	6.3	6.0
New Zealand	12.7	3.0	3.9	6.0	9.2	3.6	4.4	5.7
Norway	9.9	6.4	6.0	6.6	11.6	6.0	5.0	6.1
Poland	21.8	11.3	7.7	12.1	34.3	19.2	7.9	17.9
Portugal	8.2	7.9	11.2	8.6	10.3	9.8	7.5	9.6
Spain	26.3	19.9	24.7	24.4	41.3	30.9	32.7	35.5
Sweden	20.0	13.9	7.1	12.9	26.4	13.1	6.6	12.6
Turkey	8.2	10.0	7.0	8.5	7.4	20.1	8.9	10.0
United Kingdom	23.6	10.5	5.0	10.6	17.8	8.3	3.3	7.6
United States	15.7	7.6	4.1	7.4	17.3	6.6	1.3	5.1
OECD unweighted average	15.8	8.8	8.1	9.9	19.8	12.0	9.1	12.0

Source: OECD Education Database.

Table 8. **Education and employment activities of persons aged 18 and 22 years, 1984 and 1997**
 Percentages

		In education or training				Not in education and training			
		In employment		Not in employment		In employment		Not in employment	
		1984	1997	1984	1997	1984	1997	1984	1997
Men 18-year-olds	Australia ^a	27.5	23.6	17.0	30.0	38.5	30.1	17.0	16.4
	Austria	..	33.1	..	43.9	..	18.6	..	4.5
	Belgium	3.7	1.7	71.0	82.9	14.4	3.4	10.9	12.0
	Canada ^b	20.8	27.6	38.0	44.9	23.0	15.6	18.2	11.9
	Denmark ^b	44.8	57.8	27.3	22.9	21.5	13.3	6.4	6.0
	Finland ^b	..	14.2	..	71.9	..	5.8	..	8.1
	France	8.6	11.0	54.3	78.0	19.1	4.0	18.0	7.0
	Germany ^b	45.2	46.0	33.0	40.9	16.6	7.2	5.3	6.0
	Greece ^b	2.2	1.5	55.2	68.1	31.1	16.7	11.4	13.8
	Ireland ^b	8.7	4.8	39.1	61.1	34.8	22.4	17.4	11.7
	Italy	1.2	1.3	55.5	67.4	29.6	17.6	13.7	13.7
	Luxembourg ^b	22.2	4.2	43.5	74.6	28.1	12.1	6.2	9.1
	Netherlands ^c	10.0	45.5	61.4	34.5	16.4	11.2	12.2	8.7
	Portugal ^d	5.9	2.1	29.0	62.6	51.9	28.7	13.2	6.6
	Spain ^d	0.5	2.9	48.8	66.8	25.3	15.1	25.4	15.2
	United Kingdom	24.7	29.8	19.6	17.2	34.4	32.0	21.4	21.0
United States	20.8	26.4	40.1	41.6	25.5	20.4	13.7	11.5	
	OECD unweighted average	16.5	19.6	42.2	53.5	27.3	16.1	14.0	10.8
Men 22-year-olds	Australia ^a	12.1	13.1	5.9	8.3	69.2	60.0	12.8	18.6
	Austria	..	10.2	..	24.0	..	59.0	..	6.7
	Belgium	4.9	2.6	33.7	36.3	46.9	44.1	14.6	17.0
	Canada ^b	8.4	15.9	14.9	21.5	54.0	46.7	22.8	15.9
	Denmark ^b	13.8	21.9	14.0	22.2	61.5	45.0	10.7	10.9
	Finland ^b	..	9.7	..	37.5	..	32.2	..	20.6
	France	4.3	5.7	11.0	39.5	68.5	36.6	16.2	18.3
	Germany ^b	6.7	13.6	22.3	21.5	61.6	52.9	9.5	12.0
	Greece ^b	1.3	1.6	20.7	28.4	63.1	53.4	15.0	16.7
	Ireland ^b	4.3	4.8	9.4	20.7	65.1	56.8	21.2	17.7
	Italy	1.9	1.4	22.8	28.4	56.8	44.6	18.5	25.7
	Luxembourg ^b	4.2	2.3	14.5	27.2	77.9	63.0	3.4	7.5
	Netherlands ^c	15.3	32.0	26.6	20.4	43.0	40.7	15.0	7.0
	Portugal ^d	5.6	8.1	14.0	28.3	65.3	54.5	15.1	9.1
	Spain ^d	0.3	4.8	18.2	33.6	46.5	44.5	35.0	17.1
	United Kingdom	8.8	13.1	7.1	8.6	67.3	59.7	16.8	18.5
United States	13.7	20.0	11.8	15.2	62.4	53.2	12.1	11.6	
	OECD unweighted average	7.0	10.6	16.5	24.8	60.6	49.8	15.9	14.8
Women 18-year-olds	Australia ^a	12.9	26.4	22.1	32.5	46.4	24.6	18.6	16.6
	Austria	..	22.6	..	49.0	..	22.3	..	6.2
	Belgium	1.1	1.2	73.9	88.0	11.7	1.7	13.3	9.1
	Canada ^b	20.6	29.6	38.9	44.0	23.0	15.2	17.5	11.3
	Denmark ^b	36.7	44.5	34.7	39.9	20.6	9.9	7.9	5.7
	Finland ^b	..	13.2	..	71.3	..	9.0	..	6.4
	France	3.9	3.8	59.3	86.5	12.7	2.5	24.1	7.2
	Germany ^b	33.8	33.9	39.1	51.2	19.3	6.1	7.8	8.8
	Greece ^b	0.7	0.9	49.0	69.0	17.6	9.3	32.7	20.9
	Ireland ^b	3.9	5.1	48.1	72.9	33.2	11.7	14.9	10.4
	Italy	1.3	0.9	53.4	74.7	19.2	9.3	26.1	15.1
	Luxembourg ^b	9.0	2.6	43.8	80.5	41.3	12.8	5.9	4.1
	Netherlands ^c	7.4	44.6	59.3	38.7	20.1	9.3	13.1	7.4
	Portugal ^d	1.7	2.4	37.9	70.5	37.3	16.3	23.2	10.8
	Spain ^d	0.1	1.8	48.8	74.7	15.6	8.2	35.5	15.3
	United Kingdom	15.6	29.3	20.3	18.7	40.8	30.2	23.3	21.7
United States	20.5	30.4	35.7	42.6	22.0	14.5	21.8	12.4	
	OECD unweighted average	11.3	17.3	44.3	59.1	25.4	12.5	19.0	11.1

Table 8. Education and employment activities of persons aged 18 and 22 years, 1984 and 1997 (cont.)

		Percentages							
		In education or training				Not in education and training			
		In employment		Not in employment		In employment		Not in employment	
		1984	1997	1984	1997	1984	1997	1984	1997
Women 22-year-olds	Australia ^a	8.6	15.0	5.6	9.4	58.6	52.9	27.1	22.7
	Austria	..	7.2	..	23.9	..	58.7	..	10.1
	Belgium	2.5	1.9	24.5	33.4	47.6	42.0	25.4	22.7
	Canada ^b	9.1	19.8	9.4	19.1	55.1	40.6	26.5	20.5
	Denmark ^b	23.8	30.4	9.0	22.4	49.6	32.4	17.7	14.8
	Finland ^b	..	12.1	..	42.6	..	29.5	..	15.8
	France	5.3	8.2	11.7	37.6	53.8	30.5	29.2	23.7
	Germany ^b	5.8	14.4	17.3	18.6	57.5	45.1	19.4	22.0
	Greece ^b	2.2	2.2	12.3	28.5	33.1	32.5	52.4	36.7
	Ireland ^b	2.5	4.0	5.4	20.4	66.6	59.3	25.6	16.2
	Italy	1.3	2.5	18.3	37.7	40.0	27.7	40.4	32.1
	Luxembourg ^b	2.1	1.3	7.8	25.0	76.5	60.2	13.6	13.4
	Netherlands ^c	9.8	32.0	15.3	17.3	54.5	40.6	20.3	10.1
	Portugal ^d	3.6	7.3	20.5	38.1	41.9	44.7	33.9	10.0
	Spain ^d	0.3	4.9	24.6	45.7	28.0	28.2	47.1	21.2
	United Kingdom	4.6	11.1	5.3	8.7	54.7	52.6	35.3	27.6
	United States	11.0	21.7	8.8	14.3	54.5	47.3	25.7	16.7
	OECD unweighted average	6.2	11.5	13.1	26.0	51.5	42.6	29.3	19.8
Total 18-year-olds	Australia ^a	20.2	25.0	19.6	31.2	42.4	27.4	17.8	16.5
	Austria	..	27.5	..	46.6	..	20.5	..	5.4
	Belgium	2.5	1.4	72.4	85.3	13.2	2.6	12.0	10.6
	Canada ^b	20.7	28.6	38.5	44.4	23.0	15.4	17.8	11.6
	Denmark ^b	40.8	50.6	31.0	32.1	21.1	11.4	7.1	5.8
	Finland ^b	..	13.7	..	71.6	..	7.4	..	7.3
	France	6.1	7.5	57.0	82.1	15.7	3.3	21.2	7.1
	Germany ^b	39.4	40.2	36.1	45.8	18.0	6.7	6.5	7.3
	Greece ^b	1.4	1.2	51.9	68.6	24.0	12.7	22.6	17.6
	Ireland ^b	6.3	4.9	43.6	66.6	34.0	17.4	16.1	11.1
	Italy	1.2	1.1	54.5	70.8	24.3	13.7	20.0	14.4
	Luxembourg ^b	16.0	3.4	43.7	77.6	34.3	12.5	6.1	6.6
	Netherlands ^c	8.7	45.1	60.3	36.7	18.3	10.2	12.7	8.0
	Portugal ^d	3.9	2.3	33.1	66.9	45.1	22.0	17.9	8.9
	Spain ^d	0.3	2.3	48.8	70.8	20.4	11.6	30.5	15.2
	United Kingdom	20.2	29.6	19.9	17.9	37.6	31.1	22.3	21.4
	United States	20.6	28.4	37.9	42.1	23.8	17.5	17.6	12.0
	OECD unweighted average	13.9	18.4	43.2	56.3	26.3	14.3	16.5	11.0
Total 22-year-olds	Australia ^a	10.3	14.1	5.8	8.9	63.8	56.5	20.2	20.6
	Austria	..	8.7	..	24.0	..	58.9	..	8.5
	Belgium	3.8	2.3	29.4	34.9	47.2	43.1	19.6	19.7
	Canada ^b	8.7	17.8	12.1	20.3	54.5	43.7	24.6	18.2
	Denmark ^b	18.8	25.8	11.5	22.3	55.6	39.3	14.2	12.7
	Finland ^b	..	10.8	..	39.8	..	31.0	..	18.4
	France	4.8	7.0	11.4	38.5	60.5	33.3	23.3	21.2
	Germany ^b	6.2	14.0	19.8	20.0	59.5	49.0	14.4	17.0
	Greece ^b	1.8	1.9	16.1	28.5	46.6	42.3	35.6	27.3
	Ireland ^b	3.4	4.4	7.5	20.5	65.8	58.1	23.3	17.0
	Italy	1.6	1.9	20.5	33.1	48.2	36.0	29.8	28.9
	Luxembourg ^b	3.2	1.8	11.0	26.1	77.1	61.7	8.7	10.4
	Netherlands ^c	12.6	32.0	21.0	18.9	48.7	40.6	17.7	8.5
	Portugal ^d	4.5	7.7	17.6	33.5	52.4	49.3	25.5	9.5
	Spain ^d	0.3	4.9	21.3	39.4	37.8	36.7	40.7	19.1
	United Kingdom	6.8	12.1	6.3	8.6	61.2	56.2	25.8	23.0
	United States	12.3	20.9	10.2	14.7	58.2	50.2	19.3	14.2
	OECD unweighted average	6.6	11.1	14.8	25.4	55.8	46.2	22.8	17.3

.. Data not available.

a. 1994 ; b. 1996 ; c. 1983 ; d. 1986.

Source: OECD School-to-Work Database.

Table 9. Labour market and schooling status of persons aged 18 and 22 years, 1984 and 1997
 Percentages

		Proportion attending school		Proportion in some form of apprenticeship		Proportion not attending school and not in the labour force		Employment/population ratio		Unemployment/population ratio	
		1984	1997	1984	1997	1984	1997	1984	1997	1984	1997
Men 18-year-olds	Australia ^a	26.4	41.6	18.1	11.9	2.1	3.8	66.0	53.7	17.2	16.3
	Austria	..	42.8	..	34.1	..	2.1	..	51.6	..	5.0
	Belgium	72.6	82.5	2.1	2.1	4.2	7.9	18.1	5.1	8.1	4.3
	Canada ^b	58.8	72.5	..	..	6.1	5.6	43.8	43.2	15.3	12.3
	Denmark ^b	41.5	51.7	30.6	29.1	1.7	2.3	66.3	70.3	8.0	9.3
	Finland ^b	..	86.1	..	..	..	1.0	..	19.1	..	19.1
	France	54.8	80.7	8.1	8.3	3.2	2.6	27.2	15.0	15.3	5.2
	Germany ^b	37.1	41.1	41.1	45.8	1.0	3.4	61.8	53.0	5.0	2.8
	Greece ^b	56.8	69.1	0.6	0.5	5.5	6.0	33.4	18.1	7.1	8.3
	Ireland ^b	41.8	63.5	6.1	2.4	1.3	3.4	43.5	27.1	18.3	8.6
	Italy	56.4	68.7	0.4	0.0	2.9	6.4	30.8	18.9	12.2	8.1
	Luxembourg ^b	44.0	72.1	21.8	6.7	3.1	3.6	50.5	16.3	3.6	5.5
	Netherlands ^c	68.1	73.0	3.3	7.1	4.5	6.3	26.3	56.8	10.6	5.5
	Portugal ^d	34.9	64.7	-	-	3.8	2.7	57.9	30.2	11.9	6.0
	Spain ^d	49.3	69.7	-	-	1.6	5.0	25.8	18.0	23.8	13.9
	United Kingdom	29.2	34.6	15.1	12.4	2.4	11.4	59.0	61.8	21.0	12.4
	United States	60.9	68.0	..	..	1.1	6.6	46.3	46.8	17.9	9.0
	OECD unweighted average	48.8	63.7	11.3	11.5	3.0	4.7	43.8	35.6	13.0	8.9
Men 22-year-olds	Australia ^a	10.2	17.2	7.8	4.3	1.9	4.3	81.3	73.1	12.2	16.7
	Austria	..	32.6	..	1.6	..	3.8	..	69.3	..	4.4
	Belgium	36.9	38.0	1.7	0.9	2.4	6.0	51.8	46.7	14.7	11.9
	Canada ^b	23.3	37.4	..	..	6.4	5.6	62.4	62.6	17.3	11.5
	Denmark ^b	20.0	33.2	7.8	10.9	3.7	6.7	75.3	66.9	8.4	8.1
	Finland ^b	..	47.2	..	..	..	1.9	..	41.3	..	29.1
	France	15.0	43.1	0.4	2.0	2.6	3.3	72.6	42.1	14.3	15.6
	Germany ^b	23.8	26.1	5.1	9.0	1.4	4.2	68.3	66.4	8.5	8.4
	Greece ^b	21.9	29.8	0.1	0.2	3.4	3.7	64.3	54.9	13.1	13.8
	Ireland ^b	11.9	22.4	1.8	3.1	2.4	4.0	69.4	60.7	20.1	14.4
	Italy	24.5	29.5	0.2	0.2	3.4	9.1	58.7	46.0	17.3	18.1
	Luxembourg ^b	16.8	28.2	1.9	1.3	1.0	1.7	82.2	65.3	2.9	5.9
	Netherlands ^c	39.6	48.5	2.4	3.9	2.8	4.9	58.2	72.7	16.0	3.6
	Portugal ^d	19.6	36.4	-	-	4.9	2.9	70.9	62.4	11.9	9.6
	Spain ^d	18.5	38.3	-	0.0	2.3	2.8	46.8	49.3	32.6	17.8
	United Kingdom	14.6	18.2	1.3	3.5	2.3	8.4	76.0	72.8	15.1	11.5
	United States	25.5	35.3	..	..	0.9	6.4	76.1	73.2	12.4	7.0
	OECD unweighted average	21.5	33.0	2.3	2.9	2.8	4.7	67.6	60.3	14.4	12.2
Women 18-year-olds	Australia ^a	28.6	51.4	6.5	7.5	6.9	5.5	59.3	50.9	14.6	17.5
	Austria	..	49.4	..	22.2	..	2.0	..	44.9	..	5.8
	Belgium	74.3	88.1	0.7	1.0	5.9	6.0	12.8	2.8	9.6	3.4
	Canada ^b	59.5	73.6	..	..	7.9	5.6	43.6	44.8	11.8	10.3
	Denmark ^b	50.2	78.3	21.3	6.1	3.3	1.7	57.3	54.4	7.1	12.1
	Finland ^b	..	84.6	..	..	..	2.1	..	22.6	..	23.7
	France	61.0	86.5	2.3	3.8	4.4	2.7	16.3	6.3	20.5	5.7
	Germany ^b	43.3	49.4	29.6	35.6	2.5	5.5	53.1	39.6	6.6	4.1
	Greece ^b	49.5	69.8	0.2	0.1	22.4	8.8	18.3	10.1	14.4	14.6
	Ireland ^b	50.6	77.0	1.4	1.0	2.2	3.8	37.1	16.4	18.6	7.9
	Italy	54.3	75.3	0.4	0.2	11.9	9.0	20.5	10.3	16.6	7.2
	Luxembourg ^b	45.4	81.0	7.5	2.1	3.4	1.9	50.3	15.4	3.0	2.2
	Netherlands ^c	65.9	78.0	0.8	5.3	4.8	4.9	27.4	54.0	12.8	7.8
	Portugal ^d	39.5	72.9	0.1	-	11.8	6.4	38.9	18.6	14.5	6.3
	Spain ^d	48.9	76.5	-	-	15.2	4.3	15.6	10.1	20.3	15.2
	United Kingdom	31.5	41.9	4.4	6.1	10.8	16.2	56.4	59.5	14.9	7.2
	United States	56.2	73.0	..	..	8.6	9.2	42.5	45.0	17.7	6.6
	OECD unweighted average	50.6	71.0	5.8	6.5	8.1	5.6	36.6	29.7	13.5	9.3

Table 9. Labour market and schooling status of persons aged 18 and 22 years, 1984 and 1997 (cont.)

Percentages

		Proportion attending school		Proportion in some form of apprenticeship		Proportion not attending school and not in the labour force		Employment/population ratio		Unemployment/population ratio	
		1984	1997	1984	1997	1984	1997	1984	1997	1984	1997
Women	Australia ^a	10.8	20.3	3.4	4.0	20.5	13.5	67.2	67.9	7.7	11.8
22-year-olds	Austria	..	29.6	..	1.6	..	5.5	..	65.9	..	5.5
	Belgium	26.1	35.3	0.9	..	9.2	11.7	50.1	43.9	19.1	12.2
	Canada ^b	18.4	38.8	..	..	16.6	13.0	64.1	60.4	10.8	8.6
	Denmark ^b	17.4	38.8	15.3	14.0	7.5	6.5	73.4	62.7	11.1	11.6
	Finland ^b	..	54.7	..	..	..	5.6	..	41.4	..	23.6
	France	16.7	44.3	0.2	1.5	14.4	7.8	59.1	38.5	16.1	17.8
	Germany ^b	19.7	23.7	3.4	9.2	12.7	15.2	63.3	59.5	7.2	7.4
	Greece ^b	14.3	30.5	0.2	0.2	41.8	18.6	35.3	34.7	12.1	19.9
	Ireland ^b	7.1	22.0	0.7	2.4	16.0	7.6	69.0	62.5	10.4	8.9
	Italy	19.5	39.9	0.2	0.3	22.7	16.5	41.3	30.2	20.0	18.2
	Luxembourg ^b	8.7	24.5	1.3	1.8	13.0	9.6	78.6	61.5	0.5	3.9
	Netherlands ^c	24.0	48.2	1.1	1.2	14.0	8.6	64.3	72.6	9.3	4.8
	Portugal ^d	24.2	45.4	-	-	21.3	5.0	45.5	51.3	14.3	6.7
	Spain ^d	24.9	50.5	-	0.1	21.3	5.3	28.3	33.2	25.8	22.1
	United Kingdom	9.2	18.2	0.8	1.6	26.1	21.4	59.4	63.7	10.1	6.8
	United States	19.8	36.0	..	..	15.8	12.4	65.5	69.0	11.3	5.2
	OECD unweighted average	17.4	35.3	2.1	2.9	18.2	10.8	57.6	54.1	12.4	11.5
Total	Australia ^a	27.5	46.4	12.3	9.7	4.5	4.6	62.6	52.3	15.9	16.9
18-year-olds	Austria	..	46.4	..	27.7	..	2.1	..	48.0	..	5.4
	Belgium	73.4	85.1	1.4	1.6	5.0	7.0	15.6	4.0	8.8	3.9
	Canada ^b	59.1	73.0	..	..	7.0	5.6	43.7	44.0	13.5	11.3
	Denmark ^b	45.8	66.1	26.0	16.6	2.5	2.0	61.9	61.7	7.5	10.8
	Finland ^b	..	85.4	..	..	..	1.6	..	20.8	..	21.3
	France	58.0	83.5	5.1	6.1	3.8	2.6	21.5	10.8	18.0	5.4
	Germany ^b	40.2	45.0	35.3	40.9	1.7	4.4	57.4	46.6	5.8	3.4
	Greece ^b	52.9	69.5	0.4	0.3	14.4	7.5	25.4	13.9	11.0	11.7
	Ireland ^b	46.1	69.8	3.8	1.7	1.7	3.6	40.3	22.1	18.4	8.3
	Italy	55.3	71.8	0.4	0.1	7.4	7.7	25.6	14.8	14.4	7.6
	Luxembourg ^b	44.6	76.7	15.0	4.3	3.2	2.7	50.4	15.8	3.3	3.9
	Netherlands ^c	67.0	75.6	2.0	6.2	4.7	5.6	26.9	55.3	11.7	6.7
	Portugal ^d	37.0	69.1	0.1	-	7.6	4.7	49.0	23.9	13.1	6.2
	Spain ^d	49.1	73.1	-	-	8.5	4.6	20.7	14.0	22.1	14.6
	United Kingdom	30.3	38.2	9.8	9.4	6.6	13.7	57.8	60.7	17.9	9.9
	United States	58.6	70.5	..	..	4.7	7.9	44.4	45.9	17.8	7.8
	OECD unweighted average	49.7	67.4	8.6	8.9	5.6	5.2	40.2	32.6	13.3	9.1
Total	Australia ^a	10.5	18.8	5.5	4.1	11.5	8.9	74.1	70.5	9.9	14.3
22-year-olds	Austria	..	31.1	..	1.6	..	4.6	..	67.6	..	5.0
	Belgium	31.8	36.7	1.3	0.5	5.6	8.7	51.0	45.4	16.7	12.1
	Canada ^b	20.9	38.1	..	..	11.5	9.3	63.3	61.5	14.1	10.0
	Denmark ^b	18.7	35.7	11.5	12.3	5.6	6.6	74.3	65.0	9.7	9.7
	Finland ^b	..	50.7	..	..	..	3.6	..	41.3	..	26.6
	France	15.9	43.7	0.3	1.8	9.0	5.7	65.2	40.2	15.3	16.8
	Germany ^b	21.8	24.9	4.3	9.1	7.0	9.7	65.8	62.9	7.9	7.9
	Greece ^b	17.7	30.2	0.2	0.2	24.5	11.6	48.3	44.2	12.5	17.0
	Ireland ^b	9.7	22.2	1.3	2.7	8.8	5.8	69.2	61.6	15.5	11.6
	Italy	21.9	34.8	0.2	0.3	13.3	12.9	49.8	38.0	18.7	18.2
	Luxembourg ^b	12.6	26.4	1.6	1.5	7.2	5.5	80.3	63.5	1.7	4.9
	Netherlands ^c	31.9	48.3	1.8	2.6	8.4	6.7	61.2	72.6	12.7	4.2
	Portugal ^d	22.1	41.2	-	-	14.0	4.0	56.9	56.5	13.2	8.0
	Spain ^d	21.5	44.2	-	0.1	11.3	4.0	38.1	41.6	29.4	19.9
	United Kingdom	12.0	18.2	1.1	2.6	13.9	14.7	67.9	68.4	12.7	9.2
	United States	22.5	35.6	..	..	8.8	9.5	70.5	71.1	11.8	6.1
	OECD unweighted average	19.4	34.2	2.2	2.8	10.7	7.8	62.4	57.2	13.4	11.8

.. Data not available. - Nil or less than half of the last digit used.

a. 1994 ; b. 1996 ; c. 1983 ; d. 1986.

Source: OECD School-to-Work Database.

Table 10. Labour force participation rates by age and gender, selected years

		1979			1989			1997		
		15-19	20-24	25-54	15-19	20-24	25-54	15-19	20-24	25-54
		year-olds	year-olds	year-olds	year-olds	year-olds	year-olds	year-olds	year-olds	year-olds
Australia	Men	61.4	90.2	94.5	59.5	89.2	92.7	52.9	84.3	90.6
	Women	55.0	69.2	51.4	57.1	77.5	65.3	53.6	75.3	68.6
Austria	Men	..	..	..	..	..	..	46.3	71.5	89.9
	Women	..	..	..	..	..	..	31.2	67.7	71.0
Belgium	Men	..	..	..	10.0	64.4	92.4	7.9	60.6	92.1
	Women	..	..	..	8.2	56.8	60.3	5.1	52.6	69.7
Canada	Men	57.3	86.5	94.9	60.6	84.9	93.8	47.6	79.2	91.1
	Women	51.1	72.4	58.5	56.7	77.6	74.7	45.9	71.8	76.6
Czech Republic	Men	..	..	..	..	..	..	26.0	82.5	95.2
	Women	..	..	..	..	..	..	19.9	57.8	82.0
Denmark	Men	..	..	..	69.5	88.3	94.5	70.0	85.0	92.5
	Women	..	..	..	61.4	80.2	86.6	65.4	74.5	81.7
Finland	Men	45.9	81.5	92.3	45.8	82.5	93.5	34.3	72.0	89.6
	Women	36.2	69.1	81.2	39.5	70.6	87.2	29.6	58.2	84.0
France	Men	26.5	80.1	96.3	14.9	69.3	95.6	9.4	54.3	94.8
	Women	20.0	68.9	63.0	9.4	59.9	72.1	4.3	44.9	77.3
Germany	Men	48.0	79.4	94.9	41.6	78.3	92.1	34.6	76.5	92.5
	Women	44.3	71.8	55.4	36.6	73.5	62.6	26.7	67.5	73.7
Greece	Men	..	..	..	22.7	72.0	94.4	15.5	66.7	94.6
	Women	..	..	..	17.9	53.9	51.6	13.3	52.9	57.5
Hungary	Men	..	..	..	..	..	..	16.5	69.5	85.0
	Women	..	..	..	..	..	..	11.8	48.9	67.2
Iceland	Men	..	..	..	..	..	..	45.0	75.5	96.7
	Women	..	..	..	..	..	..	46.5	77.4	85.1
Ireland	Men	50.2	91.2	95.0	31.6	80.7	91.8	25.9	75.7	90.5
	Women	41.9	68.6	27.6	25.0	74.4	42.9	19.5	67.5	58.4
Italy ^d	Men	33.0	71.7	93.3	26.4	71.5	90.8	21.5	57.5	85.3
	Women	28.6	55.4	38.9	22.8	63.9	48.6	16.5	48.1	50.9
Japan	Men	18.0	70.1	97.2	17.0	71.2	97.0	18.9	75.0	97.6
	Women	18.6	69.9	56.2	17.3	74.3	63.2	16.8	73.4	66.7
Korea	Men	..	..	..	11.7	60.2	94.0	8.6	56.9	94.0
	Women	..	..	..	18.7	63.6	54.1	13.0	66.4	58.4
Luxembourg	Men	..	..	..	28.7	74.8	94.7	11.9	62.5	93.4
	Women	..	..	..	24.3	71.4	48.0	7.8	59.4	58.0
Mexico	Men	..	..	..	..	..	..	59.7	85.6	96.8
	Women	..	..	..	..	..	..	31.3	41.9	46.1
Netherlands	Men	..	..	..	42.9	78.4	93.3	55.4	81.5	93.1
	Women	..	..	..	39.2	75.5	56.3	52.7	78.1	69.4
New Zealand	Men	..	..	..	58.6	88.7	94.0	55.9	83.5	92.1
	Women	..	..	..	54.5	69.3	68.5	55.7	72.0	72.5
Norway ^b	Men	43.2	62.6	92.8	47.0	79.9	93.3	47.7	78.4	92.6
	Women	40.7	61.0	66.0	46.0	70.3	79.0	43.3	68.8	83.3
Poland	Men	..	..	..	..	..	..	14.9	71.2	89.4
	Women	..	..	..	..	..	..	9.8	57.5	76.5
Portugal ^c	Men	67.9	91.9	94.7	52.5	83.5	94.4	26.8	68.8	92.9
	Women	54.8	71.3	53.6	39.9	69.3	67.8	20.0	57.6	76.8
Spain ^b	Men	57.9	83.3	95.6	44.8	77.7	93.9	30.4	65.6	92.6
	Women	43.4	55.6	30.2	32.7	62.2	44.9	21.3	56.0	58.1
Sweden ^b	Men	57.9	83.9	95.4	49.4	84.0	94.7	26.2	69.7	91.0
	Women	58.0	80.1	81.2	53.6	82.2	90.6	29.5	62.9	86.2
Turkey	Men	..	..	..	60.7	87.3	95.2	48.6	77.9	92.1
	Women	..	..	..	41.3	41.9	37.8	27.7	35.9	29.5
United Kingdom ^b	Men	..	..	..	74.5	91.2	94.9	63.7	83.2	91.6
	Women	..	..	..	70.8	75.9	71.9	60.9	70.1	75.0
United States ^b	Men	61.5	86.4	94.4	57.9	85.3	93.7	52.3	82.5	91.8
	Women	54.2	69.0	62.3	53.9	72.4	73.6	51.0	72.7	76.7
OECD	Men	48.4	81.4	94.7	42.2	79.2	93.8	34.8	73.3	92.2
	Women	42.1	67.9	55.8	37.6	68.9	64.0	29.7	62.1	69.2

.. Data not available.

a. The age group is 25-59 instead of 25-54 ; b. The age group is 16-19 instead of 15-19 ; c. 1996 instead of 1997.

Sources: OECD, *Labour Force Statistics, 1977-1997*. Data for Belgium, Denmark, Greece and Luxembourg were provided by EUROSTAT.

Table 11. **Employment/population ratios by age and gender, selected years**

		1979			1989			1997		
		15-19 year-olds	20-24 year-olds	25-54 year-olds	15-19 year-olds	20-24 year-olds	25-54 year-olds	15-19 year-olds	20-24 year-olds	25-54 year-olds
Australia	Men	52.5	82.6	91.7	51.9	82.1	89.0	42.2	71.3	84.6
	Women	43.8	63.6	48.8	48.8	71.4	62.3	43.7	66.2	64.1
Austria	Men	..	..	..	..	..	..	43.5	67.7	86.5
	Women	..	..	..	..	..	..	26.7	64.5	67.7
Belgium	Men	..	..	..	8.4	57.6	88.1	5.8	50.7	86.4
	Women	..	..	..	5.8	46.1	53.1	3.1	39.7	62.6
Canada	Men	48.0	77.0	90.4	51.8	75.7	88.0	36.8	67.8	83.9
	Women	43.0	64.9	54.2	50.2	70.6	69.1	36.4	62.8	70.5
Czech Republic	Men	..	..	..	..	..	..	22.6	77.8	92.3
	Women	..	..	..	..	..	..	16.1	53.7	77.9
Denmark	Men	..	..	..	64.0	77.1	87.9	64.9	79.9	88.7
	Women	..	..	..	55.6	68.7	79.7	59.5	66.6	77.0
Finland	Men	38.3	75.0	87.3	39.4	78.7	91.3	25.3	57.8	80.3
	Women	30.3	63.9	77.8	34.0	66.1	85.5	19.5	46.4	74.6
France	Men	22.8	73.8	93.3	12.9	59.0	89.8	7.5	40.5	85.6
	Women	13.5	59.0	59.5	7.0	45.5	64.0	2.7	30.4	67.3
Germany	Men	46.9	76.8	93.0	39.7	73.3	87.1	31.7	68.0	85.1
	Women	42.2	67.7	53.3	34.3	68.3	57.7	24.4	60.8	66.0
Greece	Men	..	..	..	19.5	58.9	91.3	11.3	52.8	89.9
	Women	..	..	..	10.9	36.6	46.9	6.4	33.0	50.7
Hungary	Men	..	..	..	..	..	..	11.8	59.5	78.0
	Women	..	..	..	..	..	..	8.4	43.5	62.7
Iceland	Men	..	..	..	..	..	..	39.4	71.4	94.6
	Women	..	..	..	..	..	..	41.6	74.2	81.8
Ireland	Men	43.8	83.6	88.8	22.4	65.1	78.8	20.6	63.9	81.7
	Women	36.8	65.2	26.3	18.2	63.5	36.6	15.0	59.0	53.0
Italy ^a	Men	24.3	58.9	91.5	17.4	53.6	86.4	14.8	41.1	79.1
	Women	17.2	41.9	36.2	11.6	40.3	42.3	9.4	29.7	44.2
Japan	Men	17.0	67.9	95.7	15.6	68.5	95.5	16.9	70.3	95.1
	Women	18.1	67.6	55.2	16.3	71.5	61.9	15.6	68.9	64.6
Korea	Men	..	..	..	10.8	54.5	91.5	7.6	51.8	91.8
	Women	..	..	..	17.2	60.7	53.6	11.9	62.3	57.5
Luxembourg	Men	..	..	..	27.8	73.4	93.9	9.7	60.3	92.0
	Women	..	..	..	21.6	70.0	47.0	6.4	54.6	56.3
Mexico	Men	..	..	..	..	..	..	56.1	81.1	94.8
	Women	..	..	..	..	..	..	28.4	38.7	44.4
Netherlands	Men	..	..	..	36.9	71.2	88.2	47.9	76.4	89.7
	Women	..	..	..	31.1	67.5	50.0	44.2	73.2	65.0
New Zealand	Men	..	..	..	49.4	77.1	88.9	46.8	74.3	87.3
	Women	..	..	..	45.9	62.7	64.9	47.0	64.3	68.5
Norway ^b	Men	39.4	59.5	92.1	38.6	72.4	89.7	40.4	72.3	89.7
	Women	35.8	58.4	64.9	39.7	63.6	76.2	36.5	62.5	80.4
Poland	Men	..	..	..	..	..	..	10.6	56.6	82.1
	Women	..	..	..	..	..	..	6.0	42.4	67.3
Portugal ^c	Men	58.8	82.9	92.1	48.2	76.2	92.0	23.0	58.8	87.7
	Women	38.4	54.1	49.6	33.6	59.3	63.6	15.2	47.3	71.1
Spain ^b	Men	44.2	71.9	90.1	33.7	58.9	84.5	19.3	47.2	80.1
	Women	31.5	45.7	28.9	17.8	36.6	35.3	8.7	32.3	43.4
Sweden ^b	Men	52.5	80.7	94.2	46.8	81.2	93.6	19.6	55.3	82.6
	Women	52.0	76.9	79.8	50.8	79.6	89.5	22.6	50.8	78.6
Turkey	Men	..	..	..	50.2	72.9	90.0	42.3	66.2	88.1
	Women	..	..	..	35.2	34.5	35.2	23.9	30.1	28.1
United Kingdom ^b	Men	..	..	..	65.8	81.6	89.2	52.1	71.6	85.4
	Women	..	..	..	64.3	69.2	67.3	52.4	63.9	71.3
United States ^b	Men	51.7	78.9	91.2	48.7	77.8	89.9	43.4	75.2	88.4
	Women	45.3	62.4	59.0	46.4	66.4	70.4	43.3	66.8	73.5
OECD unweighted average	Men	41.6	74.6	91.6	36.4	70.3	89.3	29.1	63.8	86.8
	Women	34.5	60.9	53.3	31.7	59.9	59.6	24.1	53.2	63.9

.. Data not available.

a. The age group is 25-59 instead of 25-54.

b. The age group is 16-19 instead of 15-19.

c. 1996 instead of 1997.

Sources: OECD, *Labour Force Statistics, 1977-1997*. Data for Belgium, Denmark, Greece and Luxembourg were provided by EUROSTAT.

Table 12. Unemployment rates by age and gender, selected years

		1979			1989			1997		
		15-19 year-olds	20-24 year-olds	25-54 year-olds	15-19 year-olds	20-24 year-olds	25-54 year-olds	15-19 year-olds	20-24 year-olds	25-54 year-olds
Australia	Men	14.6	8.4	2.9	12.9	8.0	4.0	20.2	15.3	6.6
	Women	20.4	8.0	5.1	14.6	7.9	4.7	18.4	12.1	6.6
Austria	Men	..	..	..	..	..	..	6.0	5.3	3.8
	Women	..	..	..	..	..	..	14.5	4.7	4.6
Belgium	Men	..	..	..	16.3	10.7	4.6	27.2	16.4	6.2
	Women	..	..	..	29.5	19.0	12.0	39.3	24.4	10.2
Canada	Men	16.3	10.9	4.7	14.5	10.9	6.2	22.8	14.4	7.9
	Women	15.8	10.3	7.3	11.4	9.0	7.5	20.7	12.6	7.9
Czech Republic	Men	..	..	..	..	..	..	13.3	5.6	3.1
	Women	..	..	..	..	..	..	19.4	7.1	5.1
Denmark	Men	..	..	..	7.9	12.7	7.0	7.3	6.1	4.1
	Women	..	..	..	9.5	14.4	8.0	9.0	10.6	5.7
Finland	Men	16.7	8.0	5.4	14.1	4.6	2.3	26.3	19.8	10.4
	Women	16.2	7.6	4.3	13.8	6.4	1.9	34.0	20.2	11.1
France	Men	13.8	7.8	3.2	13.9	14.9	6.0	19.9	25.4	9.7
	Women	32.6	14.4	5.5	25.2	24.0	11.2	38.9	32.2	12.9
Germany	Men	2.4	3.2	2.0	4.7	6.5	5.4	8.3	11.2	8.0
	Women	4.7	5.6	3.8	6.2	7.1	7.9	8.8	9.9	10.4
Greece	Men	..	..	..	14.0	18.1	3.3	27.0	20.8	4.9
	Women	..	..	..	39.3	32.1	9.1	51.6	37.7	11.9
Hungary	Men	..	..	..	..	..	..	28.4	14.3	8.2
	Women	..	..	..	..	..	..	29.3	11.0	6.7
Iceland	Men	..	..	..	..	..	..	12.2	5.4	2.3
	Women	..	..	..	..	..	..	10.6	4.2	3.9
Ireland	Men	12.7	8.3	6.6	29.1	19.3	14.2	20.2	15.7	9.7
	Women	12.3	5.0	4.5	27.2	14.6	14.8	23.2	12.5	9.3
Italy ^a	Men	26.5	17.9	1.9	34.0	25.1	4.9	30.9	28.4	7.3
	Women	39.7	24.3	7.1	48.9	36.9	13.0	42.9	38.2	13.1
Japan	Men	5.4	3.2	1.6	8.0	3.8	1.5	10.3	6.2	2.5
	Women	2.7	3.3	1.9	6.0	3.8	2.2	7.6	6.1	3.2
Korea	Men	..	..	..	7.7	9.5	2.7	11.6	8.9	2.4
	Women	..	..	..	7.9	4.5	1.0	8.7	6.2	1.7
Luxembourg	Men	..	..	..	3.0	1.9	0.9	18.7	3.5	1.5
	Women	..	..	..	11.1	2.0	2.1	18.7	8.1	2.9
Mexico	Men	..	..	..	..	..	..	6.0	5.2	2.1
	Women	..	..	..	..	..	..	9.3	7.6	3.6
Netherlands	Men	..	..	..	14.1	9.2	5.5	13.6	6.3	3.7
	Women	..	..	..	20.5	10.5	11.1	16.0	6.2	6.5
New Zealand	Men	..	..	..	15.8	13.1	5.5	16.3	11.0	5.3
	Women	..	..	..	15.8	9.5	5.2	15.8	10.7	5.4
Norway ^b	Men	8.8	4.9	0.7	17.7	9.4	3.9	15.4	7.8	3.2
	Women	12.0	4.3	1.6	13.8	9.5	3.5	15.6	9.1	3.5
Poland	Men	..	..	..	..	..	..	28.6	20.5	8.2
	Women	..	..	..	..	..	..	39.1	26.2	12.0
Portugal ^c	Men	13.3	9.8	2.7	8.1	8.6	2.5	14.2	14.6	5.6
	Women	30.0	24.1	7.5	15.8	14.4	6.2	24.0	17.9	7.3
Spain ^b	Men	23.6	13.7	5.7	24.8	24.2	10.0	36.5	28.1	13.5
	Women	27.4	17.7	4.6	45.6	41.2	21.2	59.3	42.4	25.4
Sweden ^b	Men	9.7	3.8	1.3	5.4	3.3	1.1	28.2	21.7	9.4
	Women	10.5	4.0	1.7	5.4	3.1	1.2	26.7	20.4	8.9
Turkey	Men	..	..	..	17.3	16.4	5.5	13.0	15.1	4.3
	Women	..	..	..	14.6	17.7	6.9	13.8	16.3	4.8
United Kingdom ^b	Men	..	..	..	11.7	10.4	6.0	18.2	14.0	6.7
	Women	..	..	..	9.2	8.9	6.5	14.0	8.9	4.9
United States ^b	Men	15.9	8.7	3.4	15.9	8.8	4.1	16.9	8.9	3.7
	Women	16.4	9.6	5.2	14.0	8.3	4.4	15.0	8.1	4.1
OECD	Men	13.8	8.3	3.2	14.1	11.3	4.9	18.5	13.4	5.9
	Women	18.5	10.6	4.6	18.4	13.9	7.3	23.0	15.4	7.6

.. Data not available.

a. The age group is 25-59 instead of 25-54.

b. The age group is 16-19 instead of 15-19.

c. 1996 instead of 1997.

Sources: OECD, *Labour Force Statistics*, 1977-1997. Data for Belgium, Denmark, Greece and Luxembourg were provided by EUROSTAT.

Table 13. **Low-paid employment among young people less than 25 years old: incidence, distribution and concentration^a**

		Incidence ^b	Distribution ^c	Concentration ^d
Australia	1995	34.5	46.6	2.5
Austria	1993	19.5	24.3	1.5
Belgium	1993	22.2	34.7	3.1
Canada	1994	57.1	22.9	2.4
Finland	1994	27.1	11.5	4.6
France	1995	49.5	26.1	3.7
Germany	1994	50.4	58.6	3.8
Italy	1993	27.0	60.9	2.2
Japan	1994	36.4	41.4	2.3
New Zealand	1994/95	41.3	41.0	2.4
Sweden	1993	18.7	25.9	3.6
Switzerland	1995	44.0	38.8	3.4
United Kingdom	1995	45.8	28.5	2.3
United States	1994	63.0	21.6	2.5
Unweighted average		38.3	34.5	2.7

a. The data refer to full-time employees only. Low pay is defined as less than two-thirds of median earnings for all full-time workers.

b. Percentage of workers under the age of 25 who are low paid.

c. Low-paid youths as a proportion of all low-paid workers.

d. Incidence of low-paid youths divided by the overall incidence of low-paid employment.

Source: OECD (1996a).

Table 14. **Measures of young people in low-paid employment, 1986-1991^a**

Weekly/monthly earnings of continuously employed full-time workers

Incidence of low-paid employment (percentage of workers under 25 who are low paid)			
	Ever low paid 1986-1991	Low paid in 1986	Always low paid 1986-1991
Denmark	12.1	7.9	0.0
France ^b	27.0	14.5	1.5
Germany	53.7	45.4	1.8
Italy	25.6	18.0	0.7
United Kingdom	42.7	39.0	7.3
United States	61.2	47.0	14.4
Relative incidence of low-paid employment (incidence of low-paid employment among workers under 25 relative to overall incidence of low-paid employment)			
	Ever low paid 1986-1991	Low paid in 1986	Always low paid 1986-1991
Denmark	2.7	3.3	0.0
France ^b	2.2	2.8	1.9
Germany	3.4	4.3	1.2
Italy	2.6	3.2	1.4
United Kingdom	2.7	3.4	1.9
United States	2.0	2.2	1.9
Average cumulative years in low-paid employment for workers who were low paid in 1986			
	Under 25	25-34	35-49
Denmark	1.7	1.7	2.3
France ^b	2.6	2.8	3.0
Germany	2.4	3.0	3.5
Italy	2.5	2.7	3.5
United Kingdom	3.1	4.1	4.6
United States	4.0	3.9	4.2

a. Low pay defined as less than two-thirds of median earnings of continuously employed full-time workers.

b. Data refer to 1984-1989.

Source: OECD (1997a).

Table 15. **Employment rates^a over the first three to five years after leaving initial education by gender and educational attainment**

	Men			Women		
	First year	Third year	Fifth year	First year	Third year	Fifth year
Less than upper secondary						
Australia	65.1	65.9	75.9	55.4	45.5	39.2
France ^b	77.5	81.3	78.1	68.3	73.0	69.0
of which in subsidised jobs	25.0	16.3	7.2	30.6	24.0	10.0
Germany	87.5	91.9	88.5	73.7	79.2	72.6
Ireland	75.9	81.0	78.4	62.7	64.9	61.2
United States	49.5	64.8	79.8	31.6	31.9	39.3
Upper secondary						
Australia	74.9	74.9	82.5	78.2	75.4	74.2
France	..	..	..	..	..	..
Germany	88.2	96.3	95.0	83.6	89.9	86.0
Ireland	68.1	90.3	87.1	62.0	87.6	88.5
United States	71.6	77.7	85.9	61.1	68.0	71.1
University/tertiary						
Australia	78.2	84.0	87.0	79.0	77.6	77.6
France ^c	80.4	94.4	95.5	77.6	91.2	91.2
Germany	85.9	87.7	99.7	75.4	82.7	86.9
Ireland	73.7	83.6	..	78.6	94.0	..
United States	87.1	94.7	95.4	81.0	86.9	81.8

.. Data not available.

a. Defined as the percentage of the sample with a job.

b. Subsidised jobs refers to *Travaux d'utilité collective*, *Contrats d'emploi solidarité*, *Contrats d'adaptation* and *Contrats de qualification*. Time spent in obligatory national service is excluded.

c. Data refer to the first, third and fourth year after leaving initial education at the university/tertiary level.

Source: OECD (1998b).

 Table 16. **Unemployment rates^a over the first three to five years after leaving initial education by gender and educational attainment**

	Men			Women		
	First year	Third year	Fifth year	First year	Third year	Fifth year
Less than upper secondary						
Australia	30.5	29.7	19.6	28.7	23.9	21.6
France	15.4	16.7	20.2	23.5	21.0	24.0
Germany	11.7	7.7	13.0	15.5	8.9	16.9
Ireland	22.4	18.7	21.4	30.9	25.6	25.7
United States	42.2	29.4	14.9	47.9	34.6	28.1
Upper secondary						
Australia	22.6	22.6	14.8	16.0	13.8	9.9
France	..	..	..	..	..	..
Germany	9.8	1.8	3.7	9.0	5.9	5.9
Ireland	17.4	6.8	11.3	19.7	6.7	5.4
United States	20.5	15.8	8.6	21.5	14.4	11.0
University/tertiary						
Australia	21.2	14.5	9.5	17.0	13.3	10.5
France	14.4	4.4	3.8	17.2	5.4	5.3
Germany	4.9	12.3	3.7	17.9	0.6	0.0
Ireland	9.2	7.5	..	8.5	7.5	..
United States	10.0	3.5	2.6	9.7	5.7	4.2

.. Data not available.

a. Defined as the percentage of the labour force who are unemployed.

Notes and Sources: See Table 15.

Table 17. **Average cumulative time employed over the first three to six years after leaving initial education by gender and educational attainment conditional upon labour force status in the first year^d**
Proportion of time

	Men			Women		
	Employed the first year (1)	Unemployed the first year (2)	Not in labour force the first year (3)	Employed the first year (4)	Unemployed the first year (5)	Not in labour force the first year (6)
Less than upper secondary						
Australia	0.78	0.40	0.36	0.79	0.20	0.08
France ^b	0.86	0.50	0.61	0.79	0.49	0.42
<i>of which</i> in subsidised jobs	0.17	0.15	0.11	0.22	0.14	0.13
Germany	0.93	0.56	0.37	0.88	0.49	0.47
Ireland ^c	0.88	0.38	0.62	0.83	0.23	0.20
United States	0.86	0.50	0.37	0.64	0.23	0.19
Upper secondary						
Australia	0.83	0.51	0.56	0.84	0.42	0.40
France	..	..	..	..	..	..
Germany	0.98	0.58	0.37	0.88	0.67	0.66
Ireland ^c	0.90	0.60	0.64	0.89	0.59	0.65
United States	0.89	0.55	0.42	0.84	0.44	0.36
University/tertiary						
Australia	0.89	0.53	0.33	0.84	0.56	0.41
France	0.96	0.62	0.54	0.94	0.61	0.43
Germany	0.96	0.80	0.71	0.92	0.78	0.18
Ireland ^c	0.92	<i>d</i>	<i>d</i>	0.90	<i>d</i>	<i>d</i>
United States	0.97	0.69	0.65	0.92	0.56	0.45

.. Data not available.

a. The figures refer to the percentage of time employed over a four-year interview period for Australia and France (university/tertiary), a five-year interview period for Germany and the United States, and a six-year interview period for France (less than upper secondary).

Labour force status is determined at the time of each annual survey. The first year is included in the average cumulative time.

b. Time spent in subsidised jobs is included, while time in obligatory national service is excluded.

c. The figures refer to the per cent of months spent mainly in employment over a five-year period (less than upper secondary and upper secondary) and over a three-year period (university/tertiary). The data are based on retrospectively constructing annual work histories.

d. The sample size is too small for reliable estimates.

Sources: See Table 15.

Table 18a. **Distribution of time spent employed over the first three to six years since leaving initial education by gender and educational attainment**
Percentages

	Men						Women							
	Total	Never employed	Employed					Total	Never employed	Employed				
			one period	two periods	three periods	four periods	five periods			one periods	two periods	three periods	four periods	five periods
Less than upper secondary														
Australia ^a	100	8.3	7.4	14.8	16.7	15.7	37.1	100	37.3	12.7	6.9	4.9	7.8	30.4
France ^b	100	2.9	6.1	9.7	12.4	21.6	47.4	100	5.4	9.1	10.5	11.9	15.4	47.7
Germany ^d	100	1.5	2.5	1.7	7.2	20.8	66.3	100	7.9	2.4	6.3	4.7	33.4	45.3
Ireland ^c	100	6.5	3.8	5.9	13.2	15.2	55.4	100	16.9	7.8	9.6	14.2	8.4	43.1
United States ^a	100	7.8	8.8	12.1	18.6	21.9	30.9	100	29.1	25.3	12.8	15.9	10.6	6.4
Upper secondary														
Australia ^d	100	4.4	5.0	6.3	15.0	16.9	52.4	100	6.4	5.6	6.0	10.3	18.9	52.8
France	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Germany ^d	100	0.0	2.0	2.2	2.7	12.1	81.1	100	0.7	1.9	7.7	5.8	20.8	63.1
Ireland ^c	100	2.1	2.3	4.4	9.4	28.4	53.4	100	2.4	2.5	4.6	9.4	30.2	50.9
United States ^a	100	2.9	5.4	8.3	12.9	22.1	48.4	100	8.4	9.4	13.3	13.4	19.9	35.5
University/tertiary														
Australia ^d	100	5.2	3.9	3.9	7.8	13.0	66.2	100	2.0	11.2	8.4	13.3	13.3	51.8
France ^d	100	6.7	4.9	18.7	38.1	31.6	..	100	3.6	3.7	7.4	21.6	63.7	..
Germany ^d	100	0.0	0.0	0.0	4.5	25.2	70.2	100	5.2	2.1	0.0	9.0	27.8	55.9
Ireland ^c	100	12.3	5.3	16.2	66.2	..	..	100	1.7	3.0	15.5	79.8	..	..
United States ^a	100	0.5	0.7	1.8	3.5	17.2	76.3	100	3.1	2.7	5.4	9.9	18.7	60.2

.. Data not available.

a. Data refer to the first five-year interview period since leaving education.

b. Data refer to the first six-year interview period since leaving education. The column "five periods" reports values for five to six periods. Especially for men, these figures are underestimates of those with three or more periods employed because those going directly into obligatory national service are excluded.

c. Data refer to the first five years since leaving education.

d. Data refer to the first four-year interview period since leaving education. Especially for men, these figures are underestimates of those with three or more periods employed because those going directly into obligatory national service are excluded.

e. Data refer to the first three years since leaving education.

Sources: See Table 15.

Table 18b. **Distribution of time spent unemployed over the first three to six years since leaving initial education by gender and educational attainment**

Percentages

		Men					Women							
Total	Never unemployed	Unemployed					Total	Never unemployed	Unemployed					
		one period	two periods	three periods	four periods	five periods			one period	two periods	three periods	four periods	five periods	
Less than upper secondary														
Australia ^a	100	39.8	18.5	16.7	16.7	2.8	5.5	100	65.7	14.7	11.8	2.0	2.9	2.9
France ^b	100	52.3	23.1	12.4	7.7	2.7	1.8	100	37.2	23.5	15.8	13.3	6.4	3.9
Germany ^d	100	71.8	16.4	6.4	1.7	3.7	0	100	72.9	18.1	4.2	2.7	2.0	0.2
Ireland ^c	100	58.7	12.6	12.8	5.9	3.8	6.2	100	60.2	10.4	8.9	4.9	5.2	10.4
United States ^a	100	38.0	28.5	19.9	6.1	5.1	2.3	100	43.6	31.2	16.1	6.1	2.1	1.0
Upper secondary														
Australia ^a	100	58.1	15.0	13.8	4.4	5	3.7	100	68.2	14.2	6.4	3.0	2.6	5.6
France	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Germany ^d	100	85.1	9.6	3.6	1.5	0.2	0	100	79.4	15.4	4.1	0.6	0.0	0.6
Ireland ^c	100	70.6	18.5	5.8	2.0	1.9	1.2	100	76.0	16.8	3.7	2.0	0.9	0.6
United States ^a	100	58.3	22.7	12.8	4.3	1.7	0.2	100	62.0	23.4	9.8	3.6	0.8	0.4
University/tertiary														
Australia ^a	100	68.8	13.0	7.8	5.2	3.9	1.3	100	62.9	21.7	7.7	5.6	2.1	0.0
France ^d	100	83.9	12.7	2.4	0.8	0.3	..	100	77.4	16.5	4.3	1.3	0.5	..
Germany ^d	100	79.5	20.5	0.0	0	0	0	100	81.6	17.9	0.5	0.0	0.0	0.0
Ireland ^c	100	82.2	13.1	0.0	4.7	..	..	100	89.5	7.8	1.8	0.9	..	..
United States ^a	100	82.2	14.6	2.0	0.6	0.4	0.2	100	80.3	14.8	3.3	1.4	0.1	0.0

.. Data not available.

a. Data refer to the first five-year interview period since leaving education.

b. Data refer to the first six-year interview period since leaving education. The column “five periods” reports values for five to six periods. Especially for men, these figures are underestimates of those with three or more periods unemployed because those going directly into obligatory national service are excluded.

c. Data refer to the first five years since leaving education.

d. Data refer to the first four-year interview period since leaving education. Especially for men, these figures are underestimates of those with three or more periods unemployed because those going directly into obligatory national service are excluded.

e. Data refer to the first three years since leaving education.

Sources: See Table 15.

Table 19. **How widespread is youth unemployment?**
Percentage of young people with any time unemployed over five years after leaving initial education

	France	Germany	United States
All persons	..	27.8	57.2
Men	..	27.1	56.4
Women	..	28.6	58.0
Level of education			
Less than upper secondary	82.1	38.2	84.1
Upper secondary	..	25.1	69.6
University/tertiary	..	22.4	47.0

.. Data not available.

Sources: See Table 15.

Table 20. **How concentrated is youth unemployment by educational attainment over the first five years since leaving initial education?**

	France	Germany				United States			
	Less than upper secondary	All	Less than upper secondary	Upper secondary	University/tertiary	All	Less than upper secondary	Upper secondary	University/tertiary
Unemployed as a percentage of the population:									
Less than 3 months	5.6	6.7	9.3	4.2	9.0	28.1	27.9	28.5	27.9
3 to 6 months	5.9	9.5	9.1	9.8	9.4	10.8	16.3	12.3	9.4
6 to 9 months	6.6	3.4	5.6	3.4	1.0	6.5	7.7	9.6	4.5
9 to 12 months	5.6	3.1	4.5	3.5	0.0	3.5	9.0	5.8	1.6
12 to 24 months	25.6	3.7	6.8	2.6	3.1	6.5	16.1	10.9	2.8
24 to 36 months	16.8	0.8	1.4	0.8	0.0	1.5	5.1	2.2	0.8
36 months and over	15.9	0.8	1.4	0.8	0.0	0.3	2.1	0.3	0.1
Unemployed as a percentage of all weeks of unemployed:									
Less than 3 months	1.1	4.8	3.8	3.2	16.0	9.7	4.6	7.1	16.7
3 to 6 months	2.7	17.3	9.7	19.1	37.1	13.4	8.7	10.8	20.0
6 to 9 months	4.2	11.1	10.8	12.4	5.7	13.7	7.0	14.0	16.4
9 to 12 months	4.4	14.2	13.4	17.5	0.0	10.9	10.8	11.7	9.5
12 to 24 months	24.9	27.6	31.4	22.4	41.3	33.1	34.5	37.8	24.4
24 to 36 months	25.2	10.2	11.9	10.9	0.0	15.2	22.4	15.8	10.6
36 months and over	37.5	14.8	19.0	14.5	0.0	4.1	11.9	2.9	2.3

Sources: See Table 15.

Table 21. Main apprenticeship/training contracts aimed at youths

	Description	Duration	Financial incentives for employers	Qualification	Scope
Australia	The apprentice works for an employer (or a group of employers) and attends a training institution (TAFE college or private providers), normally one day a week.	4 years	Apprentice pay is set below that of a comparable worker. Wage subsidies to the employers.	Certificate issued by a State Training authority.	In 1996, there were 120 000 apprentices (7% of employees aged 15-24). 38 000 started in the year.
	Traineeship	12 months	Same as above	Same as above	Around 47 000 started in 1996
Austria	Training in state-recognised occupations, taking place both at the workplace (4/5) and in a vocational institution (1/5). Training is based on regulations. There are 244 listed apprenticeship trades.	3 or 4 years	Apprentice pay set below that of adult unskilled workers. Subsidies to apprentices or employers in gender-specific jobs and for disadvantaged young people.	The apprenticeship ends with an examination leading to a Journeyman's Certificate. Access to tertiary education through a special exam.	In 1996, there were 128 000 apprentices (24% of employees aged 15-24).
Denmark	Education and training at school alternates with training in the enterprise. There are 86 courses in trade and technical fields, and more than 200 specialities.	3 to 5 years	Apprentice pay is lower than average wages. Wage subsidies were introduced in 1990, but are now being scaled down.	The programme ends with a vocational test, leading to a professional qualification.	In 1996, there were 114 000 apprentices (25% of employees aged 15-24).
France	Training is undertaken in specialised centres. All employers can use these contracts. The apprentice works under the responsibility of a "master".	1 to 3 years, depending on the profession and the level of qualification.	The wage paid is lower than the legal minimum wage, and rises with age and tenure. Reduction of social security contributions. Premium paid to the employer according to the age of the apprentice and the duration of training.	Traditionally, the training is formally recognised by a certificate of vocational competence (CAP), but it is now being extended to diplomas of higher level.	In December 1997, there were 340 000 apprentices (14% of employees aged 15-25). (Source: DARES)
	Skill Training Contracts (Contrats de Qualification)	6 to 24 months.	The wage paid is lower than the legal minimum wage, and rises with age and tenure. Reduction of social security contributions. Subsidies towards the cost of hiring and training.	Traditionally, the training is formally recognised by a certificate of vocational competence (CAP), but it is now being extended to diplomas at higher levels.	In 1997, 129 000 young employees had a qualification contract (5% of employees aged 15-25). (Source: DARES)

Table 21. **Main apprenticeship/training contracts aimed at youths (cont.)**

	Description	Duration	Financial incentives for employers	Qualification	Scope
Germany	1 or 2 days a week are spent in training colleges providing a combination of vocational and general education. There are some 375 state-recognised occupations. Training regulations for each occupation are set jointly by the employers and trade unions.	3 years	Apprentice pay is lower than the collectively-agreed wage.	Diploma	In 1996, around 1 590 000 apprentices (41% of employees aged 15-24). 574 000 started in the year.
Ireland	Modular approach allowing for flexibility and cross-skilling: 3 phases of off-the-job broad-based training (lasting 40 weeks in total) and 4 phases of on-the-job. Primarily concentrated in skilled craft trades.	4 years	Apprentice pay is set below that of a comparable worker. Wage subsidies to employers.	From 1996, based on standards achieved rather than time served.	In 1996, there were 10 800 apprentices (5% of employees aged 15-24 years)
Netherlands	Training is offered at the workplace and in an education/training institution one day per week. The number of contracts may be collectively agreed by the social partners.	2 or 3 years	Apprentice pay is set below that of a comparable worker. Wage subsidies to employers.	Certificate	In 1996, there were 148 000 apprentices (14% of employees aged 15-24).
Norway	2 years of school + 2 years of apprenticeship with a firm. The content of education (both general and vocational) was broadened and new places were created in white collar and service occupations. Pupils who are not able to obtain an apprentice place can follow an advanced course at school.	2 years	The apprentice pay is stipulated in the wage agreement of the trade and is about half that of a skilled worker. Subsidies to enterprises and the training establishments.	Journeyman's qualification. Access to higher education by taking an additional half a year of general education.	The number of apprenticeship contracts has increased from 19 000 in 1993 to 28 000 in 1996.
United Kingdom	Written agreement between the employer and the apprentice, specifying the training content and qualifications to be attained. Offered in 76 sectors.	3 years	Apprentice pay is set below that of a comparable worker. The government contributes towards the cost of off-the-job training.	NVO Level 3	In February 1998, there were 117 000 apprentices.
	National Traineeships (from 1997)	2 years	Same as above	NVO level 2	..

Sources: Eurostat Vocational Education and Training data collection; European Commission (1997a, b); OECD (1998e).

Table 22. **Examples of recent educational reforms at the secondary level that reinforce the vocational stream, selected countries**

Country	Year	Description
Ireland	1995	<p>The Leaving Certificate programme (senior secondary level), is being restructured into three components:</p> <ul style="list-style-type: none"> - the established Leaving Certificate Programme, with emphasis on general academic education; - the Leaving Certificate Applied Programme; - the Leaving Certificate Vocational Programme. <p>The latter two form part of the Vocational Preparation and Training Programme (VPT-1). The second component of VPT (VPT-2) consists of courses generally taken after completion of secondary education.</p>
Norway	1994	<p>The new system provides all young people with an entitlement to 3 years of upper secondary education, to be exercised within a 4-year period. The general education content of vocational courses has been increased and vocational study areas broadened to include wider occupational or industry groupings. The apprenticeship pathway has been strengthened.</p>
Spain	Introduced in 1992, will be fully operational in 1999.	<p>Compulsory education has been extended to 10 years and basic technical training will be included.</p> <p>The curricula are being designed by the education administration, employer organisations and unions in each province.</p> <p>Vocational training modules include work practice in local firms. The number of places available is currently being negotiated by firms, unions and schools.</p>
Sweden	1991	<p>Re-organisation of upper secondary schooling to provide 16 programmes, 2 theoretical and 14 vocational.</p> <p>All vocational programmes have been extended to 3 years.</p> <p>Vocational study programmes involve unpaid external work experience in structured work placements occupying 15% of the student's time.</p>

Sources: European Commission (1997a); OECD (1998e).

Table 23. **Training and remedial education programmes aimed at unemployed and disadvantaged youths, selected countries**

Country	Target groups	Programme structure	Monitoring and/or evaluation results
Czech Republic Bridge Project	15-18-year-olds who have only basic or incomplete basic education.	Provision of a mix of counselling, training and job placements for a period of 4.5 months. Retraining is offered at a technical-vocational school and with an employer. The training is recognised with a certificate of basic vocational qualifications. Participants are then offered an internship with an employer; if this does not prove successful, the young person returns to the labour office for more guidance and training.	After 4 rounds of the programme since 1994, the labour office reports that of the 169 trainees concerned, 143 had successfully completed the programme, and, of these, 103 were employed.
Denmark Youth package	Youths aged under 25, in receipt of unemployment benefit for 6 months with little or no qualifications.	Right and obligation to take part in normal education or special courses for at least 18 months, earning an allowance corresponding to about half the unemployment benefit.	Survey analysis results: 1 1/2 years after the introduction of the package, 75% of unemployed youths had left unemployment, 12% were in activation programmes or on leave, and 13% were unemployed.
Ireland Youthreach Programme	Youths aged 15 to 18 who leave school without qualifications.	Regulated by the Dept. of Education. The first phase is spent in Youth Centres where basic skills are provided. In the second phase, skills needed in the labour market are taught in PES Community Training Workshops.	Poor outcomes: after completion, 30% of participants were at work; 57% were unemployed; 6% were attending education or a training scheme (O'Connell and Sexton, 1995).
United States Job Corps	Severely disadvantaged youths.	Highly intensive programme that provides basic education, vocational skills, and a wide range of supportive services, including job placement services after completion, in a residential setting.	JC participation appeared to increase educational attainment and earnings and to reduce welfare dependency and criminality. As these evaluation results are based on quasi-experimental methods carried out 20 years ago, DOL is now running a new random-assignment evaluation.
Job Start	Same as above.	Demonstration programme with the purpose to determine whether a programme with the intensity of Job Corps, but run in a non-residential setting, could be cost-effective.	JS raised educational attainment, but provided generally disappointing employment results.

Sources: European Commission (1997a and 1998); OECD (1998e); Stanley *et al.* (1998).

Table 24. **Special employment contracts for young people**

Country and title of the programme	Target group	Programme description	Other conditions for eligibility	Scope
Belgium Springboard jobs (suppressed in 1998).	Youths aged under 30 who have not previously worked for 6 months or more.	Indefinite-term work contracts. Wage reduced to 90% of the normal wage for the first 12 months of the contract. Shorter notice period for 3 years.		On 1/03/98, 2 685 contracts (<i>Source: Ministère Fédéral de l'Emploi et du Travail</i>).
Work-training contracts	Job-seekers under 30 years of age.	Each private or public sector employer employing at least 50 persons is obliged to engage, for at least 6 months (12 months in the public sector), youth from the target group in numbers equal to 3% (2% for the public sector) of the labour force.		In 1998, 16 414 young people were employed on these contracts (<i>Source: Ministère Fédéral de l'Emploi et du Travail</i>).
France Adaptation contracts	Youth aged 15 - 25 years.	Wage paid corresponds to at least 80% of the collectively agreed wage but cannot be lower than the legal minimum wage. The employer is supposed to provide training. Maximum duration: 1 year.		In Dec. 1997, 43 000 young people aged 15-25 were employed with an adaptation contract (<i>Source: DARES</i>).
Italy Work training contracts (CFL)	Registered youth aged 15-29 years with at least upper secondary education.	Reduction of social security contributions. Maximum duration: 1 year. The employer must impart the training.	Hiring on a CFL is conditional upon renewal of at least 50% of previous CFL in the last 2 years. Reductions of social security contributions are extended for a further 12 months if the contract is transformed into a permanent one.	In 1996, approximately 14% of employees aged 14-24 years. A further 7% among employees aged 25-32 (<i>Source: ISFOL</i>).
Portugal Employment subsidy	Youths aged 16-30 years and the long-term unemployed.	Exemption from social security charges to employers. Full subsidy rate only if the contract is permanent.	The number of employees in the firm must have increased in comparison to the end of the last calendar year	1995: 43 000 youth were hired under the programme.
Spain Practice contracts	Youth aged less than 30 years who have left the education system for no more than 2 years.	Maximum duration: 2 years. Reduction in social security contributions. Wages are set lower than the collectively agreed ones for a comparable worker.	If no renewal, the employer cannot fill the position with a fixed-term contract for one year. Further 2-years reduction in social security contributions if worker is given a permanent contract upon expiry of the practice contract.	2% of young workers aged <30 in 1997 (<i>Source: INEM</i>).
Training contracts	Unskilled youth aged 16-21.	Maximum duration: 2 years. Reduction in social security contributions.	Same as above.	10% of young workers aged under 25 in 1997 (<i>Source: INEM</i>).

Sources: European Commission (1997a,b); OECD (1998b).

Table 25. **Job creation programmes aimed at young people**

Type of programme	Countries	Examples
Programmes specifically aimed at youths.	Canada; France; Ireland; the Netherlands; New Zealand; the United States.	<p>Canada, <i>Youth Service Canada</i>: work for non-student youth who face great barriers to entering the labour market in community service projects.</p> <p>France, <i>New Services, Youth Jobs</i> initiative: aims to create new jobs for young people in social services catering for unfulfilled needs.</p> <p>United States, <i>Job Corps</i>: team-work in service projects, usually lasting for 6-12 months, for highly disadvantaged youths. Accompanied by some training.</p> <p>The Netherlands, <i>Jobseekers Employment Act (WIW)</i> municipalities place youth aged below 27, threatened with LTU, in temporary jobs.</p> <p>New Zealand, <i>Youth Service Corps</i>: provides young school leavers with opportunities with work experience and work-skill acquisition through participation in community-oriented projects.</p>
Programmes aimed at disadvantaged workers, including at-risk youths.	Austria; Belgium; Finland; France; Germany; Italy; New Zealand; Norway; the Netherlands; Poland; Hungary; and the United States.	<p>Austria, <i>Aktion 8000</i>: temporary contracts (max 12 months). Pay corresponding to the local standard and the relative collective agreement. Subsidy corresponding to 66% of TLC for up to 12 months in the non-profit sector and 50% in case of PA.</p> <p>Italy, <i>Socially useful jobs</i>: work cannot exceed 80 hours a month for a maximum of 12 months. Projects can be sponsored by social co-operatives.</p>
Workfare programmes	Australia; Denmark; Finland; the Netherlands; the United States; and the United Kingdom.	United Kingdom, <i>New Deal</i> arrangements: 6-month jobs with the Environment Task Force or in the voluntary sector for young people unemployed for at least 6 months.

Sources: European Commission (1997b); national submissions to the OECD.