

SUPPORTING YOUTH PATHWAYS

SUMMARY

Many young people face serious difficulties in progressing from education into work. While policy responses have not eliminated such problems, they have not universally failed either. A more precise understanding is needed of what has worked to support youth pathways in the past, and what can help in the future.

The *supply* of youth labour varies considerably across countries in terms of both cohort sizes and the proportion who lack qualifications. On the *demand* side, the labour market is now generally less favourable to the unqualified, but this bias is not equally strong everywhere. Among OECD countries, the proportion of young adults without upper-secondary education who are unemployed varies from 3 to 30 per cent. There is no consistent relationship between the proportion who are unqualified and their relative employment chances. The strongest employment growth is in the service sector. Although some service jobs can favour young people who have a sound general education and good computing and language skills, there are also many low-skill jobs where young people are over-represented and overqualified.

How quickly young people find their first job after leaving school has a powerful effect on their subsequent employment experiences. During the first five years on the labour market, there are wide variations in experience by country and gender. Young American women who leave school early spend only a third of this period in work, compared to seven-eighths for young German men.

So policy needs to focus on the pathways young people follow after leaving school. Some countries offer more stable and sometimes rigid routes, others more open and sometimes fragile ones. The former model has tended to have more success in helping young people to get into their first job, and limiting long-term unemployment.

However, in developing future policy options, international experience suggests no single approach but the need to combine strong stable structures with flexible pathways to suit individual needs. The conditions in many countries are not appropriate for German-style apprenticeships. But two other policy options are worth considering. One is to extend the use of “double-qualifying” pathways – upper secondary programmes that can lead either directly into the labour market or to tertiary education. The other is to develop more comprehensive and coherent opportunities, both before and after leaving school, to create a “youth guarantee” in the style of Nordic countries.

Key features of all these strategies are to focus first and foremost on reducing failure at school, so that subsequent measures can be targeted at a relatively small number, and to ensure that education, labour market and social policies operate in complementary ways.

1. INTRODUCTION

The problems facing people in their late teens and early 20s are high on the policy agenda in OECD countries. There is particular concern that significant numbers of young people do not succeed in education, have trouble in gaining stable employment and face social and economic marginalisation.

There is a common perception that youth policy measures have not succeeded. But concerns about current youth problems and the assumption that past policies have failed are often based on rather broad and ambiguous evidence. A more precise, objective analysis of the situation facing today's young adults shows that their situation is highly variable, and that certain policies have indeed helped them.

This chapter presents an overview of:

- the context in which young people come onto the labour market;
- the change in the employment opportunities that they encounter when they get there;
- the different pathways that they take in moving from education into work; and
- the policy measures that have most effectively helped them to do so.

This analysis considers the importance to young people of educational outcomes and of labour market conditions, but also draws attention to the dynamics of the transition from education to employment. Young people must follow often lengthy, individualised pathways between full-time education and full integration into work and adult society. The structure and level of support that they get in this process is a key policy issue, even though overall, policy needs to give high priority to reducing the risk of failure in education itself.

2. YOUNG PEOPLE ENTERING THE LABOUR MARKET

In most OECD countries, compulsory schooling finishes at the age of 15 or 16 years. But transition to the labour market takes place over a wide span of ages, typically from the late teens to the mid-twenties.¹ Youth policy is therefore commonly directed to approximately the 15-24 age group, while recognising that many problems related to

social and economic integration have their roots much earlier in the education and social systems.

Two general characteristics of the youth population help to set the context of their experiences: their numbers and their education levels. These factors influence the “supply side” of the labour market.

Cohort sizes

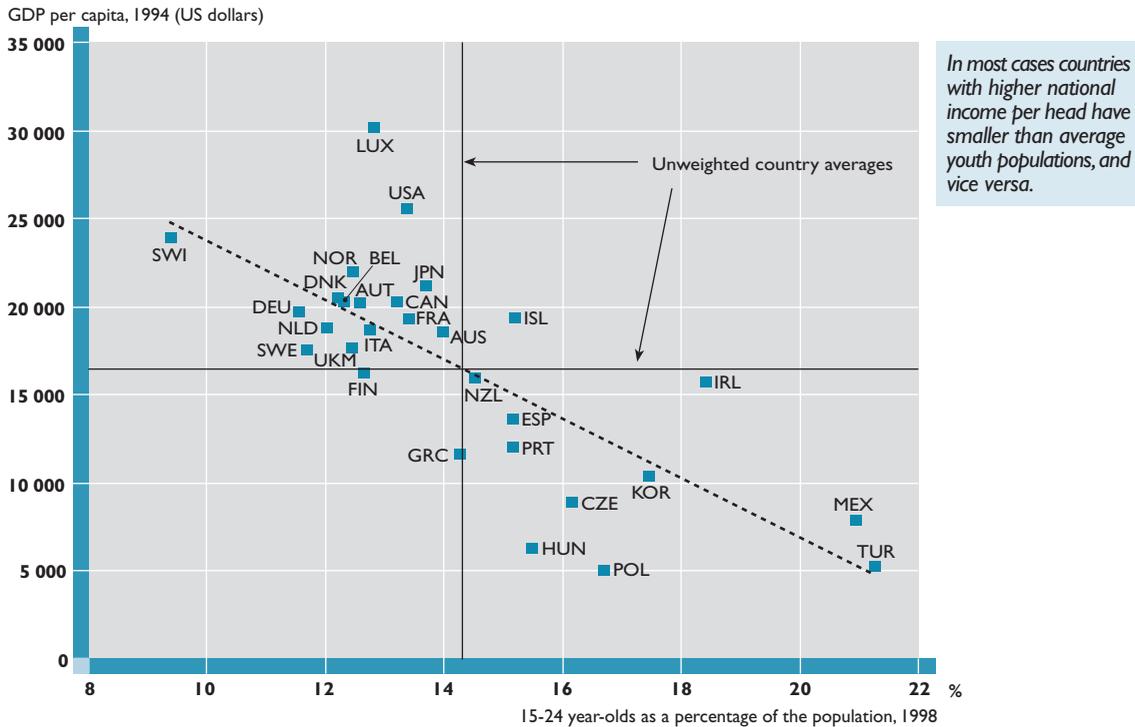
About 160 million of the 1.1 billion people in the OECD's 29 Member countries are aged between 15 and 24. This youth cohort shrank by about 3 per cent in the ten years to 1998, but the countries varied widely around the average. In some there was a big drop – of around 20 per cent or more in Denmark, Germany, Italy, the Netherlands, Norway and the United Kingdom. On the other hand, the youth cohort grew appreciably in the Czech Republic, Hungary, Mexico, Poland and Turkey. Overall it is forecast to decline by a further 4 per cent by 2008.

Even more striking than country differences in trends in youth numbers is the variation in the youth share of the total population. Just 9 per cent of Swiss people and around 12 per cent of the Belgian, Danish, German, Dutch, Norwegian, Swedish and United Kingdom populations are aged 15-24. This contrasts with 18 per cent in Ireland and over 20 per cent in Mexico and Turkey. Figure 3.1 shows that in almost all cases, countries with higher than average income per head have smaller than average youth populations, and vice versa. In principle this permits the former to spend more per capita on services for young people – subject to their ordering of spending priorities. It also implies that the relatively low-income countries face particular difficulties in meeting the needs of their young people.

The size of the youth cohort can influence on the one hand the resources that governments spend on initial education and training and, on the other, the competition that young people face for entry-level jobs. Where the youth population is shrinking, there may be pressure on governments

1. On average in OECD countries, a quarter of the population leave education, or mix it with work, by the age of 17, and the majority are in work but not studying by the age of 23: see OECD (1996a), *Education at a Glance - Analysis*, p. 45.

Figure 3.1
Youth population and GDP per capita



Sources: Projections based on the United Nations population database and OECD (1997a).
Data for Figure 3.1: page 78.

to reduce overall education and training expenditure, especially where there is growth in the retired population, which pushes up pension and healthcare costs. However, where education spending is maintained or not reduced proportionately to the fall in youth numbers, per capita spending on young people will rise. Norway, for example, took advantage of such a “demographic dividend” to fund reforms to upper secondary education that were introduced in 1994. Demands on government spending on youth services are a function not only of the cohort’s size but also of its composition. The needs are likely to be greater, for example, in countries where the youth cohort contains a high proportion of recently arrived migrants, or groups disadvantaged by social background or geography.

The degree to which young people in small cohorts benefit from reduced competition for jobs is influenced by what is happening elsewhere on

the labour market. The overall age structure of the population and employment practices with respect to older workers are significant. Potentially, young people can be better placed to obtain jobs where youth are relatively few in number. The danger in this situation is that easier immediate job prospects may encourage a long-term under-investment in skills, which would harm the economy. Conversely a larger youth population, combined with effective educational investment and the removal of barriers to youth employment, can invigorate the labour market through an increasing number of new entrants with enthusiasm and fresh, relevant skills.

However, the effect of demographic factors on young people’s transition to work should not be over-emphasised. Despite declines in the size of the youth cohort in most OECD countries, and strong growth in sectors that employ large numbers of young people (such as retail trade,

hospitality and tourism), the relative employment and earnings positions of young people have tended to decline between the mid-1980s and the mid-1990s (OECD, 1996b).

Low qualification levels

A major preoccupation of policy makers is those who lack educational qualifications. Young people who face the greatest risks are those who struggle in education from an early age and have at the most limited and intermittent engagement with further learning after the minimum leaving age. Educational attainment is becoming increasingly important, relative to other factors, in shaping young people's life chances. Research shows that the direct influence of factors like social class, ethnicity and gender on economic and social success is declining. These factors remain important, but their impact is increasingly operating via their influence on access to, and success in, education.

The main focus of concern is on those who enter the labour market directly from secondary school, especially those who lack qualifications either for further study or access to an apprenticeship place or a job. (The particular problems faced by the high proportion of disabled young people who lack post-compulsory qualifications are discussed in OECD, 1997c.) The propensity to leave school before completing upper secondary education relates to available job opportunities, but also to social factors, to individual attitudes towards education, and to the structure of linkages between education and the labour market.

The influence of these factors varies among countries. In Australia, for example, research indicates that young people leave school early mainly because they dislike its atmosphere and content, and despite the fact that unemployment among early school leavers is very high. In Portugal, by contrast, those who leave without upper secondary qualifications are actually less likely to be unemployed than the better-qualified. It seems that the Portuguese labour market is still able to absorb young people with low levels of formal qualifications, although the country does experience a relatively high rate of emigration of lower-skilled young workers.

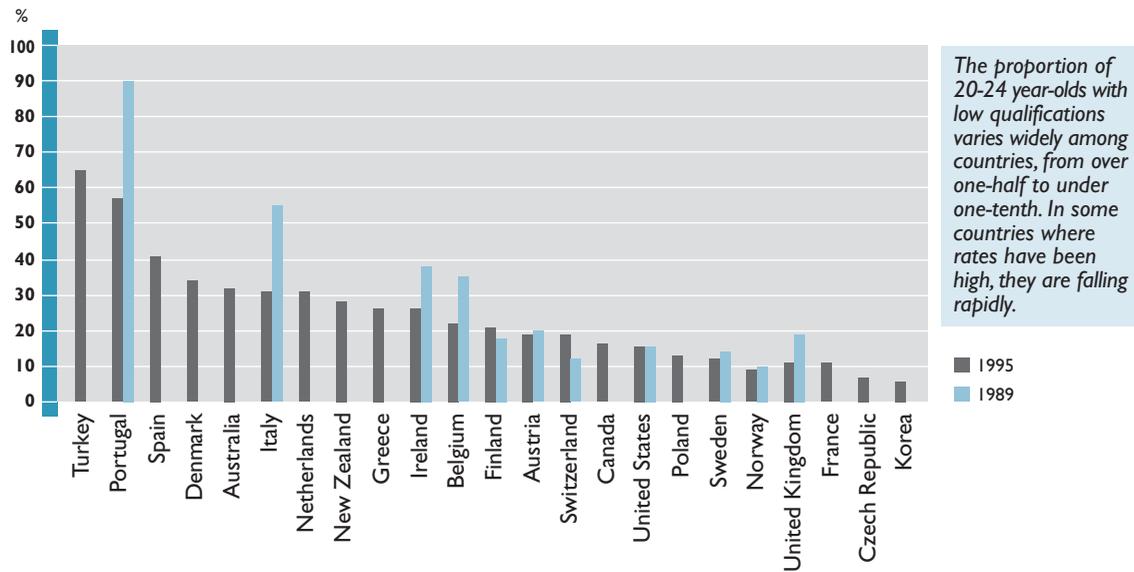
There is concern, though, about the long-term prospects of such young people in an increasingly dynamic economy.

As shown in Figure 3.2, the proportion of young people who have not completed upper secondary education is still substantial in many countries, although there is wide variation. On average, almost one in four (24 per cent) of 20-24 year-olds lack qualifications beyond the end of compulsory schooling – ranging from over one in two in Turkey and Portugal to less than one in ten in Norway, the Czech Republic and Korea.

The number of young people without upper secondary qualifications has been declining across OECD countries during the 1990s, but unevenly. In some countries that began the decade with particularly high numbers of unqualified young adults, the fall has been striking – by the equivalent of one-third of the total cohort in Ireland and Portugal, and one quarter in Italy, from 1989 to 1995. But in countries with relatively well-qualified young people in 1989, the fall has been more modest.

One interesting feature of this population of young adults with low qualifications is that in most countries it is composed unevenly of men and women – but the imbalance is not always in the same direction (see data for Figure 3.2 in the statistical annex, p.78). In nine countries, at least 5 per cent more of the young male population than of the young female population has low qualifications. In five countries the reverse applies. Measures to reform school curricula and teaching approaches, as well as measures to change general social attitudes, have been attempted to ensure that early school leavers are not concentrated along gender lines. These have yet to be effective in many countries. It is apparent, however, that there is a strong relationship between the incidence of low qualifications and the extent of gender differences. Where very few young people have low qualifications, the difference between males and females in the extent to which each group possesses low qualifications is low. Where very many young people emerge from education with low qualifications, the differences in attainment levels between males and females are likely to be considerable.

Figure 3.2
Young people with low educational qualifications
 Percentage of 20-24 year-olds whose highest level of educational attainment is lower secondary school, 1989 and 1995



Source: OECD Education Database.
 Data for Figure 3.2: page 78.

3. CHANGING EMPLOYMENT OPPORTUNITIES

Although not all youth policy issues revolve around the labour market, the problems associated with finding and holding jobs should not be underestimated. Among other things, the difficulty of finding work can lead to excessively extended periods in formal education and prolonged dependency. Difficulties in finding a job during the period immediately after leaving school can have a significant impact on the chances of young people settling into the labour market in the succeeding years.

Nearly all OECD countries experienced falling participation in employment by young people between the mid-1980s and the mid-1990s. The proportion in employment fell from 44 per cent to 35 per cent of 18-year-olds, and from 68 per cent to 59 per cent of 22-year-olds (OECD, 1996a). Much of this reduction can be explained by falling labour force participation as the result of rising educational participation. But young people's employment opportunities are changing in other ways. For example, in many countries it is now

more common than previously to combine work with study, and to do this other than through traditional pathways such as apprenticeship. In Australia, Canada, Denmark, the Netherlands, the United Kingdom and the United States, 20 per cent or more of all 16-19 year-old students are also workers (OECD, 1996a).

In some countries concern is expressed at the growing incidence of involuntary part time, temporary or other forms of insecure employment by young people once they leave full-time education, although the extent of this is not easy to measure. It is clear, however, that in some countries the extended periods spent by school leavers in part-time and temporary employment as well as unemployment can have negative effects on longer-term careers (OECD, 1998b).

Although this complex new youth labour market defies simple description, three relevant features are analysed below: the job prospects of young people with low qualifications; the actual experiences of this group in the years immediately after leaving school; and changes in the industries in which young people are working.

Prospects for the poorly-qualified

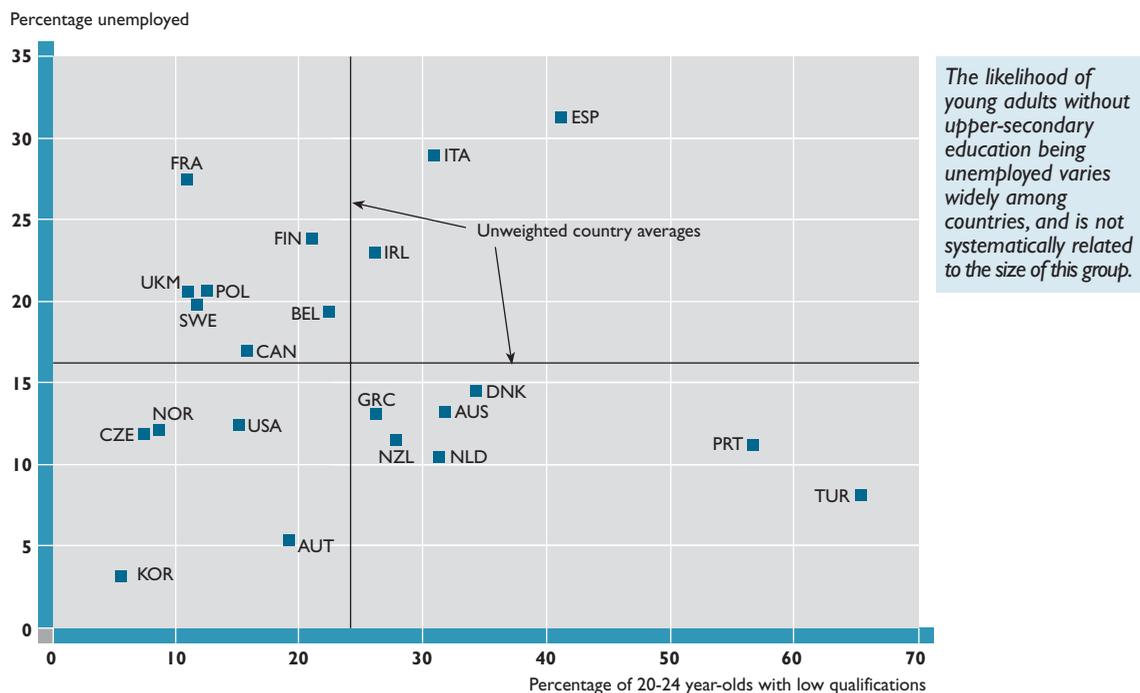
In virtually all OECD countries young people are entering labour markets in which the level of demanded skills and qualifications is rising, and where those without marketable skills or recognised qualifications find it increasingly difficult to compete for work. Data from a group of 14 countries, spanning the 1980s and 1990s, shows that in the labour force as a whole employment among those with no more than a lower secondary level of education declined at an average rate of 2 per cent a year, amounting to a substantial total change over the decade (OECD, 1997b).

Figure 3.2 above showed that the proportion of young people with no more than lower-secondary education varies widely among countries. Figure 3.3 shows that the disadvantage that this

confers is also highly variable: in Finland, France, Ireland, Italy and Spain about a quarter or more of poorly qualified young adults were unemployed in 1995; in Austria and Korea, only 6 per cent or less. How does the size of the unqualified population affect the prospects of its members? On the one hand educational norms can affect employers' attitudes to low qualifications: if having a high school diploma or a vocational qualification becomes the norm, those without one seem all the less employable. This seems to be the case in countries such as France where only around 10 per cent of 20-24 year-olds have low qualifications, and high levels of general unemployment mean that they face strong competition for jobs. On the other hand, the availability of unskilled jobs will affect the prospects of the unqualified. If the pool of such jobs is limited, a large supply of

Figure 3.3

Young people with low qualifications: proportion of age-group and chances of being unemployed
Percentage of 20-24 year-olds whose highest level of educational attainment is lower secondary school, and percentage of this low attainment group who are unemployed, 1995



Source: OECD Education Database.
Data for Figure 3.3: page 78.

unqualified young people might make it hard for each individual to compete for the available work. However, if such jobs are more plentiful, as appears to be the case in a country like Portugal, the problems of job seekers with low qualifications will be reduced somewhat.

Overall, there appears to be no systematic relationship between the proportion of less-educated young people (shown on the horizontal axis of Figure 3.3) and their likelihood of being unemployed. So for example the 31 per cent of young adults with low educational attainment in Italy were three times as likely to be unemployed as the 31 per cent of low-qualified young adults in the Netherlands. The same applies for pairs of countries where the rates of low educational attainment were below average; for example, French 20-24 year-olds without upper-secondary education were twice as likely to be unemployed as Norwegian ones.

So the variation in the fortunes of the low-qualified is not purely a function of their numbers: other explanations must be sought. One interesting observation is that most of the countries in which those with low qualifications suffer the least unemployment place strong emphasis on young people obtaining recognised vocational qualifications immediately after the end of compulsory schooling. This is true of Austria, the Netherlands and Norway, which are also countries in which employers and trade unions are actively involved with government in setting the curriculum and certification frameworks for such qualifications, and in negotiating their labour market value. An intriguing question is why, in countries that place a high value on coherent qualifications for employment, young people without such qualifications should have low unemployment rates.

Making a start in the job market

Given that employers use both qualifications and experience to select workers, early school leavers are at a double disadvantage. They tend to spend a relatively long time searching for a first job and they are more likely to end up with work of poor quality. Although low-pay jobs can be a stepping stone to better employment, the evidence suggests that such jobs are often only temporary,

and that especially the unqualified young person soon returns to the unemployment pool.

Yet not all those who leave school before completing upper secondary education are necessarily at risk in the labour market. The greatest problems face those who do not subsequently enrol in further education, and who are unemployed or outside the labour force altogether. What happens in the first year after leaving school is particularly important. Longitudinal data analysed for Australia, France, Germany, Ireland and the United States (OECD, 1998⁶) indicate that young people who are either unemployed or outside the labour force in the first year after leaving education spend substantially less time in work over the following five years than those who find work early. For example:

- Young men in the United States who do not complete high school, but find a job in their first year after leaving, spend on average 85 per cent of the following four years working. But those who find no job in the first year work only 50 per cent of the next four.
- Young women spend on average less time working than men during the years after leaving school – especially if they are not qualified. The gap between male and female employment rates is particularly marked among young people with low levels of education. In the preceding United States example, those female early leavers who worked in the first year spent only 65 per cent of the next four years working, compared to 85 per cent for men. Women with only lower secondary education who did not get jobs in the first year worked only a quarter of the time over the next four years, compared to half for men.
- For those poorly-qualified youth who spend the first year after leaving school outside the labour force altogether, the proportion of time spent employed over the next four years is lower than for those who are unemployed in the first year. For example, in the case of Australia the difference amounts to an average of four percentage points less time in work for young men, and 12 percentage points less for young women.

These data reinforce the need for close monitoring of school leavers' labour market experiences and early action to ensure access to employment. Getting a job early matters, especially for those whose educational attainment is low.

Looking at the first five years out of school as a whole, there is striking variation in the experiences of people with low levels of qualifications in different countries. Figure 3.4 shows the average number of years that young people who have not completed upper secondary education are likely to spend employed over the first five years after leaving school in the five countries surveyed. This varies for men from 3.3 years in the United States to 4.4 in Germany, and for women from 1.7 years to 3.9 years in the same countries. It is also worth noting that:

- In some countries, notably Germany, being unemployed during the first year after leaving school early made less of a difference than in others to future working patterns. For example, women in Germany who were unemployed in the first year after leaving school spent on average half of the next five years working, rather than only a quarter as in the United States.

- People with higher qualifications are normally more likely to work in the years after leaving education than the less qualified. However the average of 4.4 years that young German men with low qualifications spend employed during their first five years in the labour force is actually greater than the 4.2 years spent working on average by young Australian men who have completed tertiary education (see data for Figure 3.4, p. 79). Since the young Germans concerned would not normally be qualified apprentices, these national differences among the employment experiences of education leavers are not due just to the features of the vocational training system.

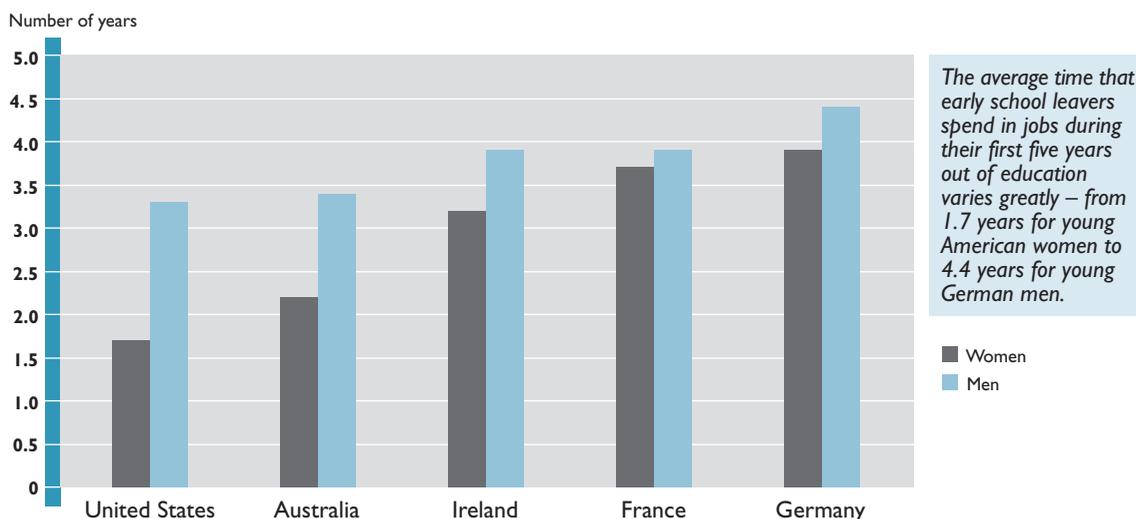
Changes in skill demands

Young people are also entering labour markets in which the particular types of skills and qualifications that are in demand are changing. A shift of employment away from agriculture and industry and towards the service sector of the economy is common to most countries. Employment in many service sector industries, such as retailing, hospitality and tourism, is youth intensive. Youth

Figure 3.4

Employment after leaving school early

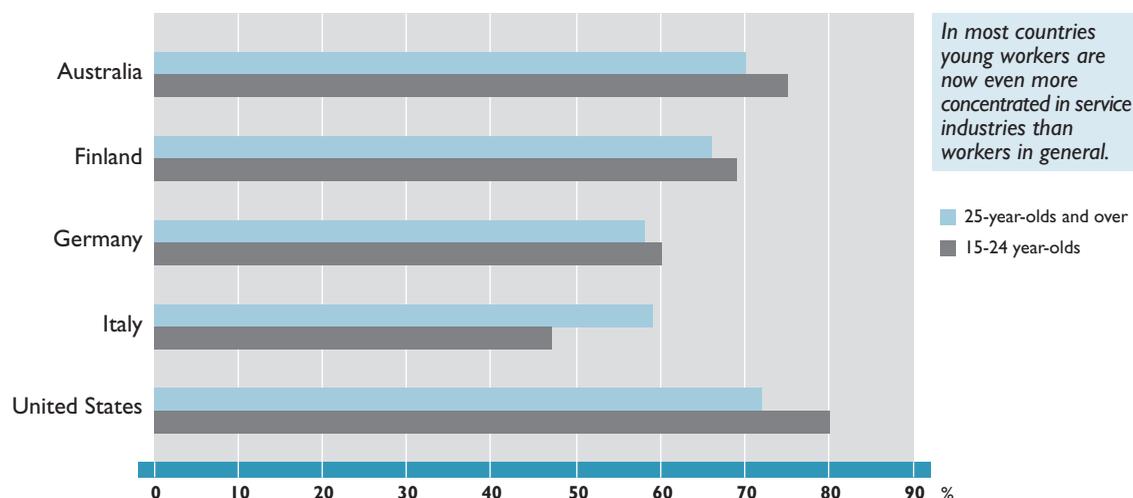
Average number of years spent employed over the first five years after leaving initial education by persons whose highest level of educational attainment is lower secondary education



Source: OECD (1998b).

Data for Figure 3.4: page 79.

Figure 3.5
Young people in service industries
 Service sector employment as a proportion of total employment, youth and adults, early 1990s



Source: OECD Education Database.

Data for Figure 3.5: page 79.

employment is highly concentrated in a small number of industries. As Figure 3.5 shows, in most countries it is also more highly concentrated in the service sector than is adult employment (see also OECD, 1996b).

Service industry jobs can favour young people partly for positive reasons – for example where they require computer skills, adaptability or a proficiency in foreign languages. However, there are also many low-skill jobs in sectors like retailing and tourism where young people are over-represented.

The pathways into the service sector are often less clearly delineated than those into other sectors. Vocational qualifications in these industries are often recent in origin, not widely understood by employers, and less frequently required for employment than in other industries. Employers in service industries are likely to place particular emphasis on personal qualities, experience and general competences when selecting employees. Although young people cannot readily make up for lack of experience, the extent to which they acquire general skills through education and broad life

experiences out of school can make a big difference to their prospects. So in some service industries such as finance, insurance, real estate and business services, there are few jobs for young people without some educational qualification. Conversely, poorly educated young people are over-represented in some non-service industries such as agriculture, forestry and fishing, but these generally account for very small and declining proportions of total youth employment (Freysson, 1997).

4. PATHWAYS THROUGH EDUCATION AND INTO WORK

The ways in which young people move from initial education to employment depend on a complex set of interacting conditions. The nature of the available routes through education and training and into a first job 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 breadth and depth of occupational qualifications, and in terms of the timing and nature of the choices that young people have to make between distinct pathways and labour market destinations.

It is useful to analyse the routes and choices available in terms of different kinds of *pathway*. Some are organised in “*institutionalised*” ways: young people have to choose between different programmes but have then relatively little choice over the courses that they take and the moment at which they “exit” from the chosen programme. Other pathways follow a more “*individually-constructed*” pattern: young people choose from a large range of frequently modularised and separately certified courses.

Very broadly speaking, the first type of pathway encourages the completion of programmes leading to recognised qualifications, while the latter type emphasises young people’s personal initiative and responsibility in composing their own qualification profiles and determining their own exit points. Institutionalised pathways offer greater protection in the years after compulsory schooling; individually-constructed ones may offer greater flexibility to leave and later re-enter the system to build on partial qualifications. Parallel to these differences in pathways to qualification are mechanisms for entry into the labour market. In some systems this transition is dominated by collective agreements and regulations, with negotiations between employers, governments and trade unions playing an important role. Elsewhere, choices and connections between education and employment are left much more to the individual young person.

Looking more specifically at the types of pathway on offer immediately after compulsory education, most young people go through one of three routes: general education; predominantly school-based vocational pathways leading to work, to further education or to both; and apprenticeship-type pathways in which learning within paid employment is combined with classroom learning. Part A of Figure 3.6 shows how many young people take each of these options in four countries whose transition arrangements are quite different, but which typify the range of

approaches in OECD countries: Australia, Austria, the Czech Republic, and Norway. Part B of Figure 3.6 shows that these countries also have varied outcomes in terms of how many young people remain in some form of education at the age of 18 (an intermediate outcome of immediate post-compulsory provision) and how many are unemployed in their early 20s.

In *Australia* the great majority of young people enter a general education pathway at the end of compulsory schooling, and the choice of a vocational pathway is both delayed and made by relatively few people. Many of those completing the general education pathway enter work rather than further study. Transition to work thus follows a highly “individually-constructed” model. A significant minority of young people have difficulties in the transition process: 12 per cent leave education and training by the age of 16, and 10 per cent are unemployed in their early 20s. Various features of the pattern of education-employment linkages in Australia are similar to those in much of Canada, in New Zealand, and in the United States.

In *Austria* young people choose between a general education and several vocational pathways at a relatively young age. Most opt for vocational/technical pathways: a shorter or a long school-based vocational route (the latter qualifying young people for both technician level work and higher education), or apprenticeship. Most general education graduates enter tertiary study. This highly “institutionalised” model is also very inclusive: at the age of 16 only about 3 per cent of young people are not involved in education or training, and youth unemployment is low. Similar structures are found in other German-speaking countries and in Denmark.

In the *Czech Republic*, as in Austria, the choice between a general education and several vocational pathways is made at an early age, with most choosing the latter – but in this case the vocational options are all school-based. Each vocational pathway offers several possible exit points, one of which can qualify young people for tertiary study as well as for work. Most general education graduates enter tertiary education. At the age of 15 just 2 per cent of young people are not involved in education or training. The emphasis upon school-based vocational pathways

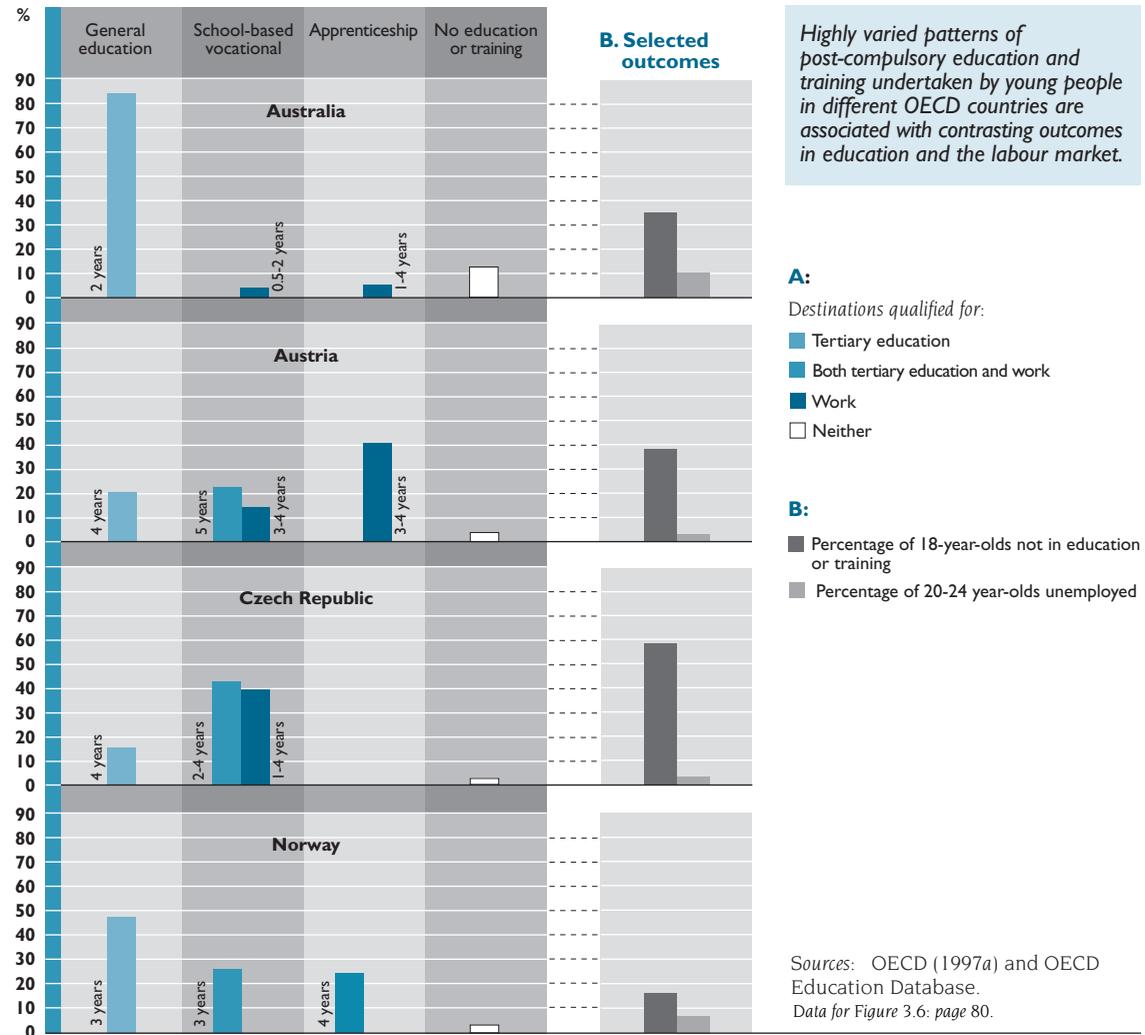
Figure 3.6

Pathways from school into work

Structure and duration of pathways from compulsory schooling to the labour market and further education, and selected education and employment outcomes, in four countries

A. Pathways

Percentage of cohort



has points in common with approaches found in countries such as France and Italy.

In *Norway* the youth cohort is divided fairly evenly at the age of 16 between those who enter general education and those entering one of two vocational pathways. Structural linkages allow the latter to transfer to the general education pathway in order to qualify for tertiary education. Many of

those completing the general education pathway enter work rather than further study. So Norway combines institutional pathways with aspects of individual construction – apparently with some success. At the age of 16, only 3 per cent of young people are not involved in education or training, and non-participation remains low at age 18. The Norwegian approach has much in common with that found in Sweden.

The outcomes shown in Figure 3.6 are related at least in part to the nature and structure of pathways taken. In Austria, the very low proportion of 20–24 year-olds who are unemployed appears to owe much to the ability of the vocational pathways in that country to connect a high proportion of young people to the labour market at a relatively early age, and to provide another significant part of the youth cohort (about 20 per cent) with high quality vocational qualifications combined with university entry certification. The high rate of educational participation at age 18 in Norway is partly due to the later starting age and long duration of all of its pathways, but also to the diversity of programs that they offer to meet the needs and interests of a wide spectrum of young people.

More generally, there is considerable evidence that institutional pathways can, where well designed, be effective in steering most young people into employment. The evidence on individually-constructed pathways is less clear. Their outcomes are by definition harder to pinpoint and classify, while their overall performance in terms of employment rates have been mixed rather than universally inferior to more institutionalised systems.

However, looking more closely at the dynamics of the transition, it appears that countries with well-developed pathways from education to work succeed in getting young people into their first job quickly, and in limiting long-term youth unemployment. This is important given the evidence discussed above showing the relationship between initial and subsequent employment rates of school leavers. Figure 3.7 shows that in general, in countries with the lowest youth unemployment to population ratios, the unemployed are often making a relatively short-term transition to work, rather than being long-term unemployed. In the three countries with youth unemployment rates of 10 per cent or below in 1995 – Austria, Denmark and Germany – relatively small minorities of the young unemployed were looking for their first job or had been out of work for over a year. These are all countries with well-defined institutionalised pathways, with strong links into employment. In contrast, in three of the five countries with the highest youth unemployment – Finland, Greece and Italy – three-quarters of those seeking jobs were looking for their first one, and in Greece and Italy at least half had been looking for work for over a year.

Analysis of pathways, and of their relationship to education and labour market outcomes (OECD, 1996*b* and 1998*a*) suggests the following lessons:

- Delaying entry to vocational pathways can reduce their attractiveness to young people, especially in countries where choices have traditionally had to be made at an early age, or where the value of vocational qualifications in the labour market is perceived to be unsatisfactory.
- Ensuring that vocational pathways can qualify young people for both work and tertiary study increases their attractiveness.
- Offering a range of pathways suited to differing interests and needs at the end of compulsory education encourages a higher proportion of young people to remain in education and training.
- Ensuring broad pathways with multiple exit points increases their holding power and attractiveness, as does ensuring that there are opportunities for young people to cross from one pathway to another with minimal loss of time.
- Vocational pathways that involve strong links to employers and enterprises result in better immediate labour market outcomes for young people than do those with weak links.

5. POLICY RESPONSES

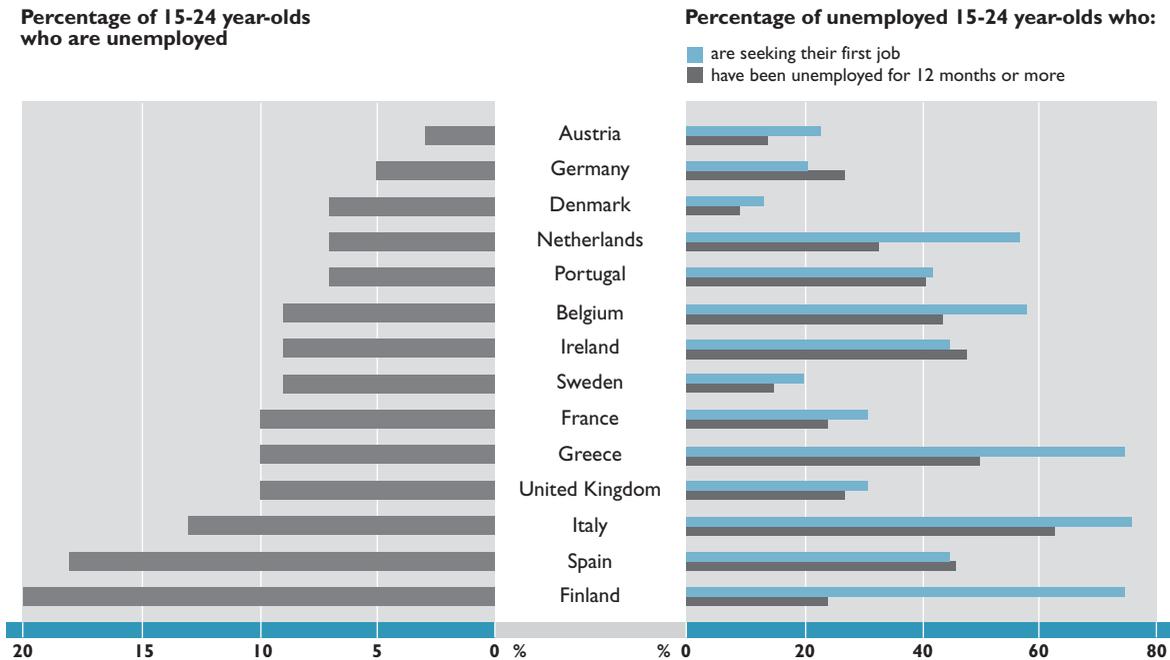
The above analysis has demonstrated some of the difficulties facing the one-quarter of young people in OECD countries who leave school without completing an upper-secondary education. Changes in the labour market and the wider economy mean that they find it hard to gain stable employment and thereby to start a process of successful integration into society. Without recognised qualifications, they are more likely to enter part-time or temporary work, or unemployment, or be outside the labour force altogether. Longitudinal analyses suggest that a poor start in the labour market can be difficult to overcome, especially for those with low levels of initial qualifications.

A strategy to ensure that young people are equipped for an effective transition to work and adult life should therefore aim first and foremost to prevent

Figure 3.7

Characteristics of the young unemployed, 1995

Percentage of 15-24 year-olds who are unemployed, who are seeking their first job, or who have been unemployed for 12 months or more



In countries where many young people are unemployed, they are often more likely than average to have moved directly from education to unemployment or to have been out of work for over a year.

Source: EUROSTAT (1997).

Data for Figure 3.7: page 80.

failure at school. However, improving success in education is not, on its own, sufficient for overcoming youth unemployment and other problems in the transition to work and adult society. The evidence shows that both for groups with and without educational qualifications, early labour market prospects vary greatly from one country to another.

Apprenticeship systems in the German-speaking and some other countries have a good track record of keeping youth unemployment in the 15-19 age group at comparatively very low levels and at ensuring that these labour market benefits persist for young adults. This has led to many efforts at developing similar arrangements in other countries. Over the years it has become obvious, however, that a whole range of social, economic and political conditions need to be fulfilled for apprenticeship

systems to function successfully. Such conditions include the self-organisation of employers and their collective co-operation with public authorities in designing and implementing training regulations, as well as the content and modes of certification. Another necessary condition seems to be the existence of a strong sense of social partnership between governments, employers and trade unions, which obliges those involved in designing and regulating apprenticeship systems to collaborate and negotiate. This means that responses to changing needs and conditions can only be implemented after lengthy and extensive analysis, consultation and policy debate among all the actors who then tend to identify with, and support, the negotiated outcomes. Substantial resources, including patience, are required for these processes to work their way through.

These conditions are far from being fulfilled in most OECD countries. Moreover, the apprenticeship countries typically have education systems where lower secondary education is non-comprehensive (that is, children are tracked into at least two different streams at a young age), where general and vocational pathways are often strongly isolated from each other at the upper secondary level, and where only limited bridges have been established between apprenticeship training and higher education. Many other countries rejected such features of their own education systems during the 1960s and 1970s, and moved towards more comprehensive models of secondary education. Finally, even in the apprenticeship countries, increasing proportions of young people have tended in recent years to choose general rather than vocational education, and full-time vocational/technical schools rather than apprenticeship, while firms have been increasingly reluctant to provide training places.

Double-qualifying pathways

Traditional apprenticeship arrangements may therefore not provide the most relevant “model” for other OECD countries seeking to reduce youth unemployment and to improve young people’s transition from education to work. More broadly applicable solutions in the long run may lie in developing pathways that respond flexibly to young people’s desire to access tertiary education, and at the same time provide them with occupational qualifications that are valued in the labour market. Depending on the occupational structures and the readiness of enterprises to provide training in each industry, such pathways may encompass many types of early contact with the labour market, ranging from formal apprenticeships to internships and student projects.

A number of countries, especially in Europe, are currently seeking to develop double-qualifying pathways that can lead to both tertiary education and the labour market. Pathways that provide such combinations of qualifications can encourage lifelong learning, by enabling students to see the worlds of work and study as intertwined. The effective provision of such pathways, though, requires far-reaching changes in curriculum, pedagogy and assessment, and strong partnerships between schools, enterprises and tertiary institutions.

Austria is a particularly interesting country in this respect, because it has for many years offered a vocational/technical pathway in full-time schools (BHS) that is highly regarded by employers and which also provides access to higher education. The curriculum of these schools usually includes obligatory summer internships, in which students are typically required to solve real problems in the host enterprise. Even though this pathway takes one year longer than the other four-year programmes of upper secondary education, young Austrians are increasingly preferring this type of programme to apprenticeship and to shorter school-based vocational education. The immediate employment prospects of the graduates from the BHS schools are at least as good as, and often better than, those of apprentices. In addition, because of the access their qualification provides to higher education, the BHS graduates are often able to build more substantial careers.

Other types of institution that have the potential to produce similar results include the community colleges of North America. While serving a much more varied population, they offer school leavers the opportunity to obtain occupational qualifications and/or to prepare for entry into higher education. Although the community colleges may not have the structured forms of enterprise involvement and workplace contact of the Austrian-type institutions, many have developed successful partnerships with local and regional industry, as well as with higher education institutions.

Policy coherence

Beyond consideration of the specific organisational forms that post-compulsory education and training pathways should take, there is the wider issue of how societies can develop coherent education, labour and social policies to help young people in their transition to work and adult life. The most sustained example of such coherence is probably to be found in the *youth guarantee* approach which the Nordic countries have been developing over the past two decades. The evolution of this idea has led to the concept of a guaranteed *opportunity* for all through a position in either education, training or work. Whether each individual takes up the opportunity is ultimately his or her own

decision. However, a system of incentives and penalties, and tight safety nets for those who fail, helps young people to develop towards useful and productive roles.

The Nordic experience has gradually shown that a policy distinction needs to be made between those below and above the age range of upper secondary education. While the most appropriate response to at-risk teenagers lies in keeping them in school (or apprenticeship) or reintegrating them in education or training as rapidly as possible, the measures required for 20-24 year-olds need to be different in kind. Such measures need to concentrate on entry into stable employment, in conjunction with strategies to improve skills training. This can take the form, for example, of raising age limits for apprenticeship and various educational programmes where such barriers exist, and of giving subsidies or tax relief to employers who provide work associated with training. For this group of young adults it is also essential that the balance of incentives and penalties in unemployment and welfare support encourages them to take up employment and training measures.

Youth unemployment has not been eradicated in the Nordic countries. However, the number of very young people in the labour market has been considerably reduced, and much stronger partnerships have been developed between educational institutions and enterprises. The Norwegian and Swedish experiences in particular

show the value of individualised follow-up measures for those who have left school early, or who are at risk of leaving early. Such services, in which municipal governments play key roles, can be resource intensive. However, the Nordic experience also shows that there is no inevitability about the number of early school leavers, and that chances for successful intervention seem to be higher while young people are still in school. Intensive measures to help early leavers in the labour market can be all the more effective if resources are freed up by keeping their numbers low in the first place.

6. CONCLUSIONS

Although their institutional frameworks and pathways differ, the approaches in both the Nordic and the traditional apprenticeship countries have much in common. Both are based on society assuming a degree of responsibility for young people's transition from education to work, on the active engagement of employers and trade unions in policy making, programme design and certification, and on focused efforts to ensure that young people do not "fall through the cracks" after leaving initial education and training. Both approaches also make social, economic and educational aspects of youth policy complementary and mutually reinforcing. Such broad policy principles, if not specific structures distinctive to each country's traditions and institutions, are transferable to youth policy across a wide range of countries. ■

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