



JILPT REPORT

No. 5
2007

Transition Support Policy for Young People with Low Educational Background

— 2007 JILPT International Workshop —

The Japan Institute for Labour Policy and Training

**Transition Support Policy for Young People
with Low Educational Background**

— 2007 JILPT International Workshop —

**JILPT REPORT No. 5
2007**

The Japan Institute for Labour Policy and Training

**Copyright© The Japan Institute for Labour Policy and Training, 2007
All rights reserved.**

**Published by The Japan Institute for Labour Policy and Training, 2007
8-23, Kamishakujii 4-chome, Nerima-ku, Tokyo, 177-8502 Japan
Telephone: 81-3-5903-6326 Facsimile: 81-3-3594-1113
Printed in Japan**

Foreword

The long recession throughout the 1990's has worsened the employment situation in Japan especially among young generation, and for those who failed to enter into regular employment during that period as well as those with relatively low educational background, condition remains adverse even in the recent economic recovery.

Primarily as a consequence of this decade-lasting recession, there has been a rapid increase among young people who enter non-regular employment such as part-time and temporary jobs (so-called "*freeters*"), and despite many of them wish to take regular jobs, they tend to remain as non-regular workers with quite a high probability once they start working as a non-regular worker on graduation. One of the reasons is that the labor demand among companies are concentrated to relatively cheap non-regular workforce, due to the necessity for suppressing labor cost to retain competitiveness in the global market, which limits the opportunities for young people to find regular jobs. Also, non-regular workers tend to be continuously engaged in unskilled jobs with seldom opportunity for skill upgrading. As such, non-regular employment has increased both from supply and demand side factors. Furthermore, some point out that this increase of non-regular employment is one of the causes for expanding income disparity.

In order to cope with the situation, the government, especially for the past several years, has been implementing various policy measures to support employment and human resource development of young people. As a result of such efforts, for example, it is reported in the policy evaluation that 225 thousand jobs were created during the period from May 2005 to April 2006. However, on the other hand, large number of "*freeters*" and "*NEETs* (those who are Not in Education, Employment or Training)", totaling to about 2.4 - 2.5 million, continues to be of a serious concern, which indicates the necessity to implement further policy measures with new approaches.

Against the background mentioned above, we have organized a workshop focusing on youth transition support in February 2007, to learn from experiences of some of the developed countries which are implementing advanced youth transition policies and attempt to draw some policy implications through comparative discussion. In this workshop, academicians and experts from the U.S., U.K., France, Sweden, Australia, Korea and Japan each reported current situation of the youth employment and transition support in respective country, and discussed following subthemes: i) Enhancing the career education functions of the secondary education institutions, etc., ii) Promotion of employment and training in enterprises, iii) Social support-holistic support and transitional labor market policies.

This report contains the papers presented in the workshop. We would like to thank all the participants at the workshop for their contributions and support, and very much hope that these reports will benefit those who are interested in comparative study of the issue.

June 2007

Akira Ono
President

The Japan Institute for Labour Policy and Training

Table of Contents

Foreword

1. United States	Helping Low Achieving Youth Acquire Work Readiness: The Role of Career and Technical Education James R. Stone III Oscar A. Aliaga National Research Center for Career and Technical Education University of Minnesota 1
2. Japan	The Situation of Transitions from School to Work and Related Support Systems in Japan Yukie Hori The Japan Institute for Labour Policy and Training ... 23
3. France	Recent Trends in Education and Labour Market Policy for School-to-Work Transition of Secondary Education School Leavers in France Nathalie Moncel Centre d'Etudes et de Recherche sur les Qualifications (Céreq) 39
4. Korea	The Status of Youth Unemployment in Korea and Policy Tasks Insoo Jeong Korea Labor Institute 61
5. United Kingdom	Supporting the Transitions of Vulnerable Youth: UK Perspectives Andy Furlong School of Business and Management, University of Glasgow 77
6. Sweden	School to Work Transition in Sweden Oskar Nordström Skans IFAU–The Institute for Labour Market Policy Evaluation ... 91
7. Australia	Transition Pathways from School to Work or Further Study and Youth at Risk Matt Davies The Australian Government Department of Education, Science and Training 109
Program of the Workshop	121
List of Participants	123

Helping Low Achieving Youth Acquire Work Readiness: The Role of Career and Technical Education

James R. Stone III

Oscar A. Aliaga

National Research Center for Career and Technical Education
University of Minnesota

1. Overview

The issue of low achieving youth has long been debated in the United States, mainly in connection to the perception of poor performance of public schools, and to the perception of a declining availability of skilled workers in the U.S. In the decade of the 1980s and 1990s there was a widespread perception of a declining quality of education in America's schools, and fueled by reports such as *A Nation at Risk* (Gardner, 1983) critics of public education linked the quality of public schools to the perceived economic problems of the day; they argued that improving the quality of schools was critical to future economic competitiveness. The *A Nation at Risk* report and others spurred what has become more than two decades of "education reform" designed at least in part with the goal of improving America's competitiveness in the emergent global economy. In the early stages of these reform efforts, low achieving students were assumed to be bound for work and often assigned to vocational education programs (now called Career and Technical Education or CTE). More recently, federally supported school reform efforts have assumed all youth should exit high school "college and career" ready with a pronounced focus on moving all students to college.

The role of CTE in the American high schools has always been controversial due to a fundamental debate about the purpose of secondary education. The debate has been raging for over a century, and at the heart of these arguments is what Lewis (2000) describes as education's basic dilemma: the conflicting functions of maximizing each student's potential while simultaneously selecting and socializing all students for their future occupational roles (and consequent place in society). On the one hand, there are those who argue that students who lack the ability and/or ambition to continue on to a university education should be taught a practical skill in high school so that they may be immediately employable upon graduation from the 12th grade. Those students are usually placed in CTE while in high school. This has resulted, some argue, in a tracking practice that has in itself raised several concerns (Oakes, Gamaron, & Page, 1992) especially as such tracking practice conflicts with the ideals of a democratic society. On the other hand, there are those who argue that in a democratic society all students should be given the opportunity for higher education; this "college for all" policy would mean educating all high school students the same way with one purpose: admission to college.

The question of how low achieving students are supported in their transition to the world of work is compounded by the non-system of public education in the United States. Contrary to what happens in most other countries, education, and public education to help targeted groups of youth, is not centrally coordinated nor organized or directed by a national authority. Rather, public education (elementary through high school or age 5-18) is the domain of state governments.

1.1. Fifty Systems

The debate on low achievement students must be placed in the context of the American educational system. This is a difficult task because there is no national system of education in the United States. Instead, states have been the primary governing body to make and carry out education policy. The Federal government exerts minimal influence on public education, and then only through achievement standards tied to federal grants. Decisions about specific course content and course levels are made at the state and often the local level—by autonomous school districts within states. This means that public education in the United States is not just one system but fifty different systems, each with their own histories and practices.

In place of a national education authority, schools, state governments, and business organizations in partnership with the federal government, continue to try to establish a closer coordination in order to support all youth to successfully transition from public education to further education and/or the workplace in a more efficient manner.

1.2. Tracking

It is important to realize that in every public school there is a distribution of student ability levels, which most schools deal with by placing students in different learning groups, either within or across classrooms. At the high school level, these “ability groups” are known as “tracks” or “concentrations.”

This brings us back to the discussion of the purpose of education: to what end is each track meant to take students? Currently, the highest level or academic track leads students toward college. About 32 percent of U.S. high school students are in the academic track. The “general track” includes the largest group at 43 percent of students; these students take a variety of general courses and may or may not achieve high enough grades and test scores in core academic subjects to enter universities. Finally, the “vocational” track traditionally contains the remaining 25 percent of students, who are not expected to go to university (Levesque, 2003). These students take courses in labor market preparation areas and are expected to enter directly into the workforce, although increasingly the assumption is that some post-secondary education/training will be required for the more desirable jobs. Traditionally, the vocational track has had a stigma because of the low-achieving students who were generally “dumped” here, along with other students with specific learning needs or behavioral problems (“special populations”) who were deemed unfit for the general or academic tracks.

Recent data from the National Center for Education Statistics (NCES, 200) show that youth who are *at risk* of not performing well academically are over-enrolled in high school CTE. According to recent data, 70 percent of youth in schools located in poor communities take three or more CTE credits during their high school career as do 80 percent of youth with disabilities, nearly 70 percent of black and American Indian students. More than 50 percent of second language learners in high school have similar enrollment patterns.

This system is changing some as the vocational track increases the academic and technical rigor of its content. This has been accomplished by integrating more academics (e.g., mathematics, science, reading) into the traditional CTE classes and by aligning CTE curriculum more closely to industry standards and credentials into the vocational CTE track. In an attempt to communicate the different quality of current CTE vis-à-vis historic vocational education, CTE reformers of the 1990s changed the nomenclature from vocational education to “career and technical education,” or CTE.

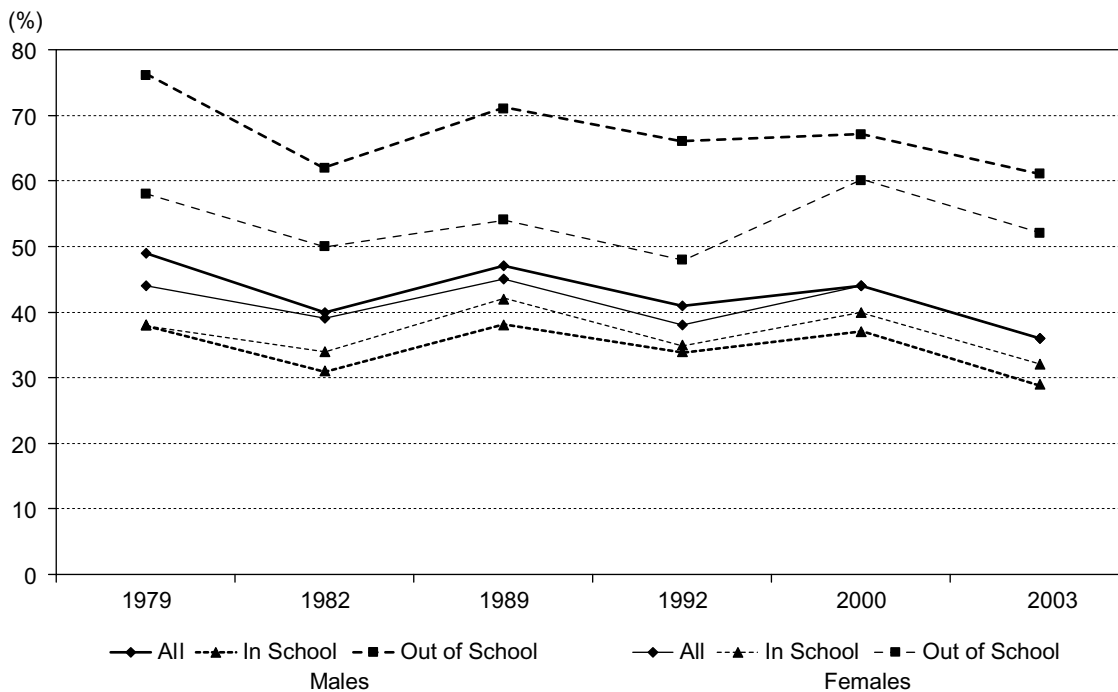
2. Youth and the Labor Market in the United States

Youth unemployment as a focus of public concern is little discussed in contemporary, national policy debates in the United States. As noted above and will be discussed in greater detail later, the prevailing assumption is that if we can get all youth “college ready”, employment will take care of itself.

Despite that mindset, it is widely acknowledged that transitioning from school to work in the United States is often difficult, takes a long time, and is sometimes unsuccessful. Most young Americans start working at paid jobs while they are in high school, but these jobs are seldom connected to their studies or career aspirations. The federal government estimates that 60 percent of high school graduates go directly to college (NCES, 2004), where a large majority hold paid jobs while in college—although not directly related to their education. Also, after leaving high school, with or without a diploma, most young people spend a number of years “floundering” from one job to another, often with spells of unemployment in between. This is one of the reasons why the U.S. education system is often criticized for its failure to provide a smooth transition to the labor market (Klerman & Karoly, 1994). There is considerable debate about the effect of this floundering and some suggestions that “job hopping” is not a problem but perhaps an economic asset to the individual (see Stone & Mortimer, 1998).

Regardless, employment rates have experienced a significant decline for male youth in the 16 to 19 age group, from 49 percent in 1979 to 36 percent in 2003. The decline in employment for those youth that were out of school fell from 76 percent in 1979 to 61 percent in 2003 (Congress of the United States, 2004). Although females have followed a similar trend, it is not as severe as in the case of males (see Figure 1). As of mid-1993 the unemployment rate among 18 and 19-year-olds stood at 19 percent nationally. Among 20 to 24-year-olds it was 11 percent, compared to 5.7 percent among job seekers aged 25 to 54 (Department of Labor, 1998). High unemployment rates for young workers in 1993 were still

Figure 1. Employment Rates for 16-to 19-Year-Olds, 1979-2003



Source: Congress of the United States. Congressional Budget Office (2004).

showing the effects of the 1990 recession, but even during the relatively prosperous period from 1985 to 1989 the unemployment rate among teenagers (age 16 to 19) never fell below 15 percent. Even during tight labor markets, the unemployment rate for teenagers has fluctuated between 13 and 16 percent (U.S. Department of Labor, 1998).

Employment and unemployment are common realities for youth soon after they leave high school. The *National Longitudinal Survey of Youth* has revealed that, between the ages of 18 and 27, the average high school graduate who did not enroll in post-secondary education held nearly six different jobs and experienced between four and five spells of unemployment. While spending a total of 387 weeks employed during those years, the average graduate also spent almost 35 weeks unemployed (Veum and Weiss, 1993). Unemployment rates for young workers, especially high rates will necessarily have an effect on those youth's future careers. Evidence shows that teenagers who acquire more work experience earn higher wages in subsequent years (Meyer & Wise, 1982; Ellwood, 1982; D'Amico & Maxwell, 1990; Pergamit, 1995).

These explanations for youth unemployment stress the supply side, as opposed to the demand side, of the labor market. An alternative explanation is that employers offer too few steady jobs with career prospects to young workers. Many employers simply prefer to hire older workers leaving younger workers to mature pursuing a succession of secondary labor market jobs disconnected from any career pathway. As a result, many young people drift from one short-term job to another, quitting or being laid off, staying out of the labor market for a while or searching for work in haphazard fashion, and accepting the next job offer that comes by. Although the U.S. does not always exceed other countries in youth unemployment, the degree of job instability among young people is exceedingly high in the U.S. (Stern, Finkelstein, Stone, Latting, & Dornsife, 1995). More recently, the lack of steady, career jobs in the U.S. is affecting mature workers, too. American workers continue to flounder in the labor market longer than their counterparts in other countries. In the middle years of their working lives, fewer Americans were established in long-term jobs than their age mates elsewhere (Stern et al., 1995).

A major premise for the *School-to-Work Opportunities Act*, an important federal law passed in 1994, was the concern about adolescent labor market churning and lack of workplace learning opportunities. Early job stability was presumed to be a benefit because it leads to later payoffs in terms of economic benefits and employment stability. The evidence supporting this assumption is mixed at best. Heckman (1994) questions the argument that the unskilled "youth labor market" traps young workers who flounder for years before they settle down. Without skills (as measured by years of education), Heckman argues that any low or semi-skilled worker, of any age, faces a deteriorating labor market. Topel and Ward (1992) analyzed social security data files of white males and found that the typical young worker holds seven full-time jobs during his first ten years in the labor market. More than one-third of early wage growth is associated with job changes. This is consistent with the Murphy and Welch (1992) finding that over two-thirds of total life cycle earnings growth occurs during the first ten years of labor market experience. Topel and Ward conclude that the process of job changing among young workers, while apparently haphazard, is a critical phase in workers' movement toward long-term, stable employment. It is a key element in the vocational development process of finding a good person-job match.

Gritz and MaCurdy (1992) found low wage jobs were held for short periods of time and this churning was associated with movement to higher wage jobs. Klerman and Karoly (1994) concluded that labor market floundering in adolescence ended by the early 20s, except for high school dropouts. Thus, they suggested that there may not be much of a problem in need of a solution. Gardecki and Neumark's (1998) analysis of *NLSY* data showed no relation between early job stability and increased wages, if training (on-the-job and off-the-job) is entered into the equation. Nor is there any constant relation between early job stability and full

time employment as an adult. The exception to this finding is for those at risk of leaving school. For this sub sample, early job stability and off-the-job, non-employer provided, training are related to higher wage returns in later employment.

3. High School Reform: Three Key Foci

A large part of the national conversation about youth in the United States today is driven by the belief that a solid academic education is the best solution for all youth in terms of future employment and earnings (ACT, 2006). The National Center on Education and the Economy (NCEE, 2007) highlights this in their call for radical reform of the U.S. education system noting the impact of globalization on the U.S. economy and the challenges now posed by the rising education levels of India and China.

Within this discussion is a focus on strategies that will improve outcomes in three key areas: student engagement, student achievement and successful transition to postsecondary education and employment.

3.1. School Engagement

School engagement is defined here as successful completion of high school within the expected period, usually by 12th grade or age 18.

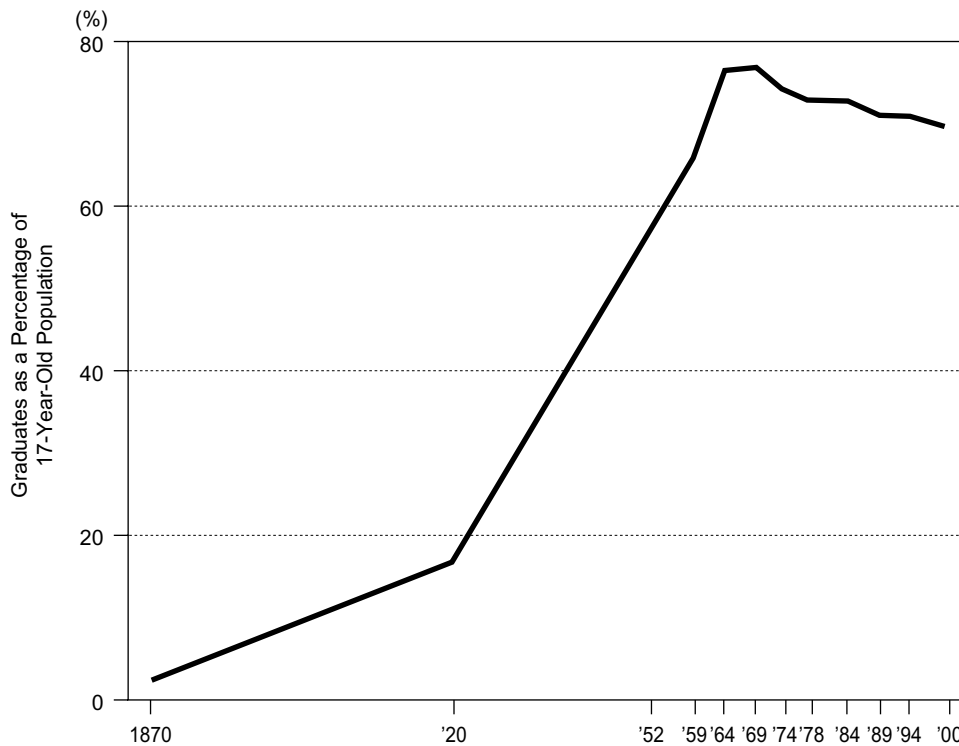
There is a large literature discussing the difficulty in defining the drop out problem as many youth, especially in urban areas, move in and out of school; move from school to school within districts and between districts and states. As well, there are different definitions of drop out or completer based on the point at which one begins to measure the problem. That is, some estimates are based on cohort analyses: how many 9th grade youth graduate in four years based on state or urban student counts of 9th graders. Others measure how many 12th graders complete that year. Although there is no nationally agreed upon system for defining the problem, many estimates abound, based either on estimates from national probability studies of schools; state or local data collected as part of accountability measures. Estimates of drop outs range from 37 percent among young men (Klerman & Karoly, 1994) to 21 percent (Rumberger & Lamb, 1998) to official figures produced by the National Center for Education Statistics (2006a) where the status dropout rate was estimated to be about 10 percent in 2004 (status dropout rate represents youth that was not enrolled in school and had not obtained a high school credential for the age group between 14 and 21). Plank (2005) documented that dropping out of high school occurs at any moment after entering 9th grade—that is, the dropout event does not appear to be associated to any particular grade or age in school.

Although dropout rates do not have an immediate equivalency with the rates for high school completion, it is also important to look at both numbers to explain the phenomenon. The status completion rate has been reported to be at 81 percent in 2003 (NCES, 2006b). Different studies place completion rates at around 70 percent, but in many cases independent reports estimate 66 percent, or 68 percent (see Figure 2). *Education Week* (March 2005) recently summarized the college transition scenario using a hypothetical group of 100 9th graders. They showed that of every 100 students who enter 9th grade, only 68 complete high school. Out of the 100, 38 start college, but only 20 complete college and are awarded a Bachelor of Arts or Bachelor of Science degree within six years or an associate degree within three years.

3.2. Student Achievement

For more than 20 years, there has been a steady criticism of the ability of public schools to improve student academic achievement beginning with a *Nation at Risk* in the early 1980s and culminating more recently with the federal legislation entitled, *No Child Left Behind*. This on-going criticism has prompted a series of school reform movements across the United

Figure 2. Graduation Rate as Percentage of 17-Year-Old Population



Source: U.S. Department of Education, National Center for Education Statistics.
 Note: Graduates are of regular day school programs.

States mostly emphasizing academic achievement but occasionally including a focus on education for work.

Common to all of these recommendations is the need to increase the “rigor” of the high school experience. The default measure of rigor is the requirement for students to take more mathematics classes, more sciences classes, more foreign language and the like. The data, however, do not seem to suggest that requiring more mathematics coursework and more courses in the other areas has improved performance of students as expected. Measured math ability for 17-year-old high school students, for example, remained basically at the same level between 1990 and 2004, and the scores for 2004 were not significantly different from those in 1973 (National Assessment of Educational Progress, 2005a). Science scores declined 10 points during this same period. Because the school day and the school year is essentially a zero-sum game, one unfortunate and perhaps unintended consequence of increasing the number of required courses is the reduction of curriculum space for other kinds of coursework such as art, music, or CTE. Thus the very kinds of coursework that might engage students to stay in school and provide skills needed for workforce success are being squeezed out of the high school experience for many youth.

3.3. Student Transition

Other measures of the academic problem are college remediation rates. The NCES (200) has documented that at least 30 percent of high school graduates require some type of remediation in reading, writing or mathematics when they enrolled in postsecondary education. Some studies place that figure at over 40 percent (Rosenbaum, 2002). Twenty-two percent of them require mathematics remediation and 11 percent will require remediation in reading.

While the vast majority of high school students plan to earn a college degree, their realities can be distressingly far from their aspirations. Rosenbaum (2002) wrote that less than 42 percent of high school graduates obtain college degrees within ten years of starting college; further, for students with poor grades, only 14 percent will eventually earn any degree. For the other 86 percent of these students, he argues, college aspirations may be not only misguided, but also harmful. If these college fantasies prevent the student from preparing appropriate back-up plans, such as seeking out education and training for the world of work, then the student who fails in college is left with no resources, skills, or plans on which to fall back.

Levesque et al. (2000) reported that initial college going rates varied amongst the curriculum tracks. Ninety-three percent of college preparatory students enrolled in college within 2 years of high school graduation as did 69 percent of general track students and 55 percent of CTE students. Many other students did enroll in college later in their 20s so that we find that within 8 years of high school graduation, more than 80 percent of CTE students had enrolled in some form of postsecondary education and more than 40 percent had earned a college degree. In fact, when student characteristics are taken into account, CTE seems to have little effect on either attendance or completion of post secondary education, but vocational course taking increases the chance that a student will complete an associate's degree or a certificate program rather than a baccalaureate (Silverberg, Warner, Fong, & Goodwin, 2004).

4. The Role of High School Career and Technical Education

CTE is a major part of the American high school experience. Silverberg (2004) and her colleagues reported that the average high school student took more CTE credits than any other subject area except English. Relatively few students, however, take a sufficient number of credits to lead to an industry recognized credential or provide enough skills to be attractive to employers.

Although rooted historically in preparing young people to move directly into the workforce, CTE's purpose has evolved over the past several decades. Stone (2001) describes the current role of CTE as providing all students with education about work, education for work, or education through work. That is, CTE introduces youth to the workplace and develops generalizable workplace skills. CTE prepares youth with occupation-specific workplace skills and finally, CTE provides a context through which academic skills in math, science and reading can be enhanced. Gray (2002) sees the debate over high school CTE as a set of choices. The first, advocated by the federal government, argues that the primary purpose of high school CTE should be to provide an integrated sequence of occupational and academic course work in order to prepare the student for postsecondary pre-baccalaureate technical education. This is a variation on the education about work theme. The second is in line with the historic or traditional role of CTE, that is, to provide an occupational sequence of courses with the sole aim of preparing students for the transition from high school to full-time employment or education about and for work. The third is to conceptualize CTE courses as arenas providing for the contextualized teaching and learning of applied academics or education through work. The last alternative Gray envisions is the elimination of CTE entirely as a sacrifice to the universal provision of a common academic program for all students.

Ultimately, what is and isn't included in the high school curriculum is a direct reflection of those skills and attitudes valued by the society (and necessary for the economy) at any given time in history. The transmission of the values of the dominant culture to the next generation has historically shaped the structure and curriculum of education, and will continue to be the guiding force for reform movements in the future. The unfortunate aspect of this is that such a system may also perpetuate inequalities between social classes (Blau &

Duncan, 1967; Hauser & Sewell, 1984). Evidence for this concern is shown, according to some, by examining the characteristics of those students who participate in CTE.

4.1. Participation in CTE

Participation in CTE can be measured from different perspectives. They are a) the enrollment in a curriculum while in high school, b) participation in other CTE activities, or c) participation in CTE course taking. For either CTE curriculum or activities, there is also the issue of analyzing participation from a self-reporting perspective, where data are gathered through interview with students, or by identifying trends through transcript reviews. Conclusions about who is a CTE participant and thus the effects of CTE participation are a function of which methodology is employed to examine the question. Using transcript data, Tuma (1996) reported that 24.4 percent of public high school graduates were CTE concentrators in 1992. Plank (2001), using the *NELS 88* data, calculated that 18.9 percent of 1992 graduates were CTE concentrators. Levesque and her colleagues (2000) tracked enrollments and found that CTE concentrators were almost 21 percent in 1994. The current *National Assessment of Vocational Education* (NAVE) concludes that participation has been fairly steady at about one-quarter of all high school graduates (Silverberg, 2004). Other researchers have used self-classification data in their analysis, as it is more likely to show student intent rather than student placement by counselors or others. For example, the almost 35 percent of youth who self-classified as an academic concentrator is a proportion more closely aligned with current estimates of college enrollment (see Rosenbaum, 2002) than are estimates derived from transcript analysis. This stands in contrast to Roey's estimation of more than 60% using transcript data. Similarly, we might assume that the true number of CTE concentrators is much fewer than identified through transcript analysis.

Current research (Stone & Aliaga, 2007) based on self-report data from the eight years of the *National Longitudinal Survey of Youth 1997*, a federally supported data system, indicates that students last reporting participation in CTE were 6.49 percent, compared to about 37 percent of students participating in the academic track (see Table 1).

As noted earlier, the recent NAVÉ report indicates that virtually all American students take at least one CTE course in high school (Silverberg et al, 2004). National data show that

Table 1. Participation in Career and Technical Education in High School: Curriculum and Activities. National Longitudinal Survey of Youth 1997 (Percentages and Population Estimates)

	Percentage	Population Estimate
CTE curriculum	6.49	1,191,216
Career Majors	30.79	5,966,750
Tech Prep	12.58	2,437,704
Cooperative Education	13.72	2,658,363
Job Shadowing	20.84	4,038,633
Mentoring	8.68	1,682,218
School-Based Enterprise	11.20	2,171,339
Internship/Apprenticeship	9.00	1,743,536

Source: Stone & Aliaga (2007a). CTE curriculum is last reported for years 1997-2004. CTE activities represent participation at any point. Students can participate in activities and the curriculum. Percentages do not add up because they come from different sources in the survey.

CTE courses or programs are currently offered in 93% of the nation's 15,200 comprehensive high schools (Lynch, 2000). While the average of CTE credits earned by students remained relatively stable recently, there has been a decline in the percentage of graduates completing a sequence of related occupational courses, or CTE concentrators dropped from 34 percent in 1982 to 26 percent in 1992. The issue of defining the CTE student or major remains at the heart of the debate over the outcomes associated with participating in CTE.

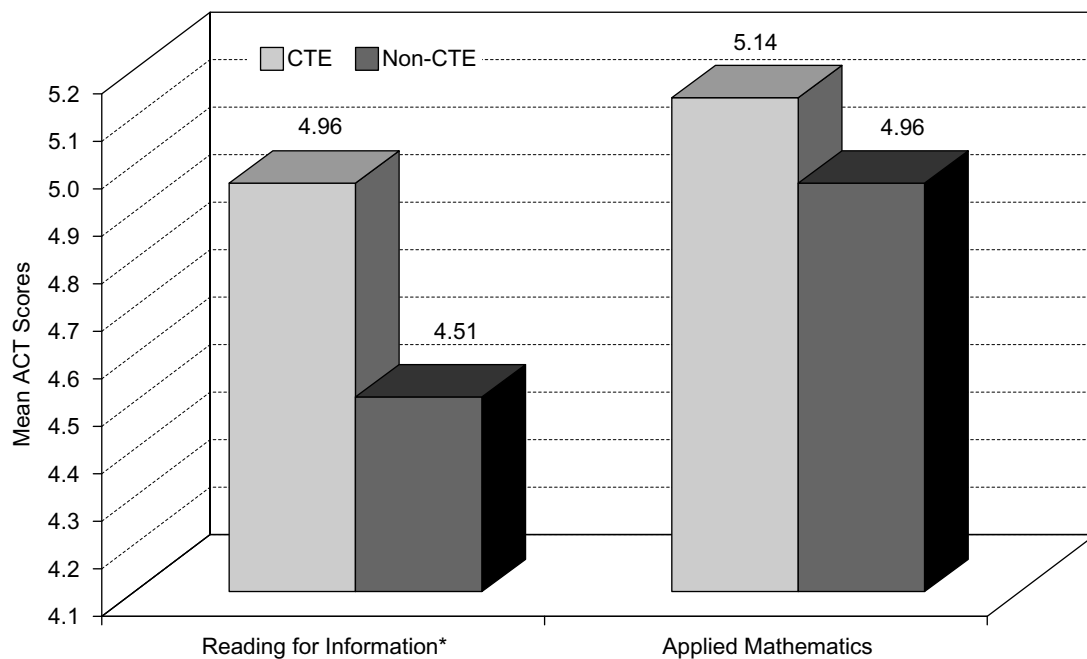
4.2. CTE and Student Outcomes

As indicated above, the relationship between CTE participation and academic achievement has long been the center of controversy. However, more recent research conducted at different levels start to show promising outcomes. Although these results are far from conclusive, they show important trends in that CTE participation is a negative influence in student's academic performance.

The data show that CTE students appear to have reversed a trend in mathematics course taking patterns: that is they take more mathematics, and more difficult mathematics (Stone & Aliaga, 2007b). In a longitudinal study conducted with 4 schools in the United States by Castellano, Stone, Stringfield, Farley, & Wayman (2004), students participating in CTE showed a better growth in achievement for both reading and mathematics than those not participating in CTE (see Figure 3). Castellano, Stringfield, Stone, & Wayman (2003) also showed CTE students exhibited better "soft" skills compared to non-CTE students (see Figure 4).

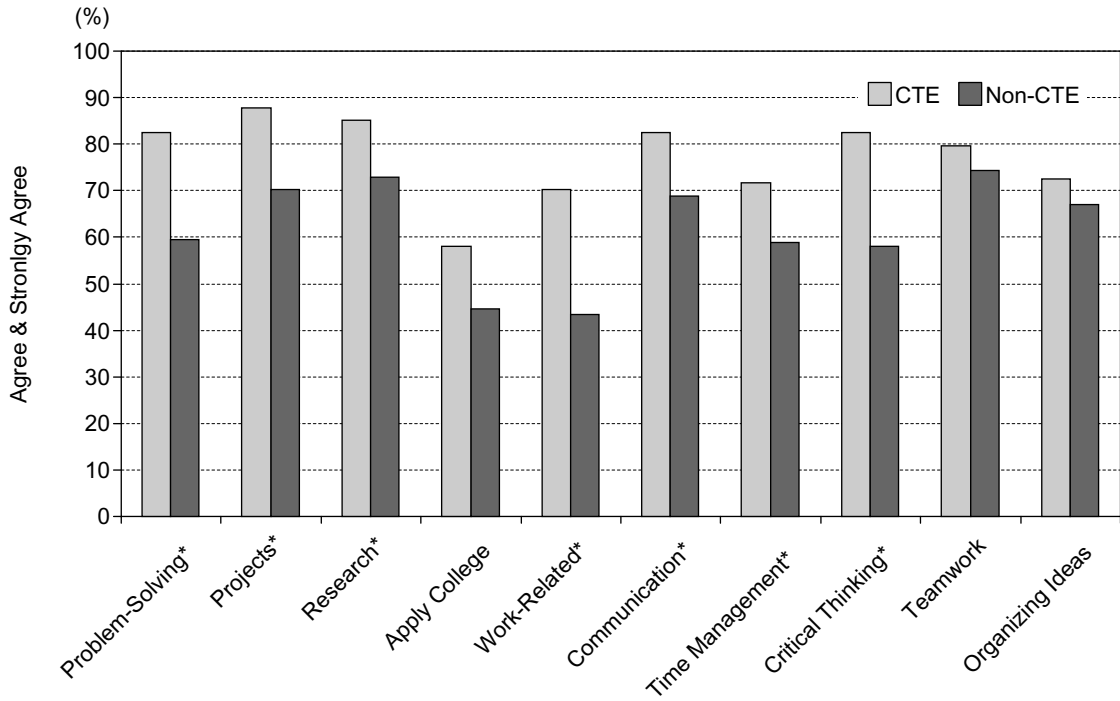
Moreover, according to the NAVÉ there has been an improvement in college attendance and completion rates of CTE compared to all other students (Silverberg et al, 2004), as well as with credential acquisition (Figure 5).

Figure 3. Achievement by Youth in High School Articulated Programs. ACT Scores (Means)



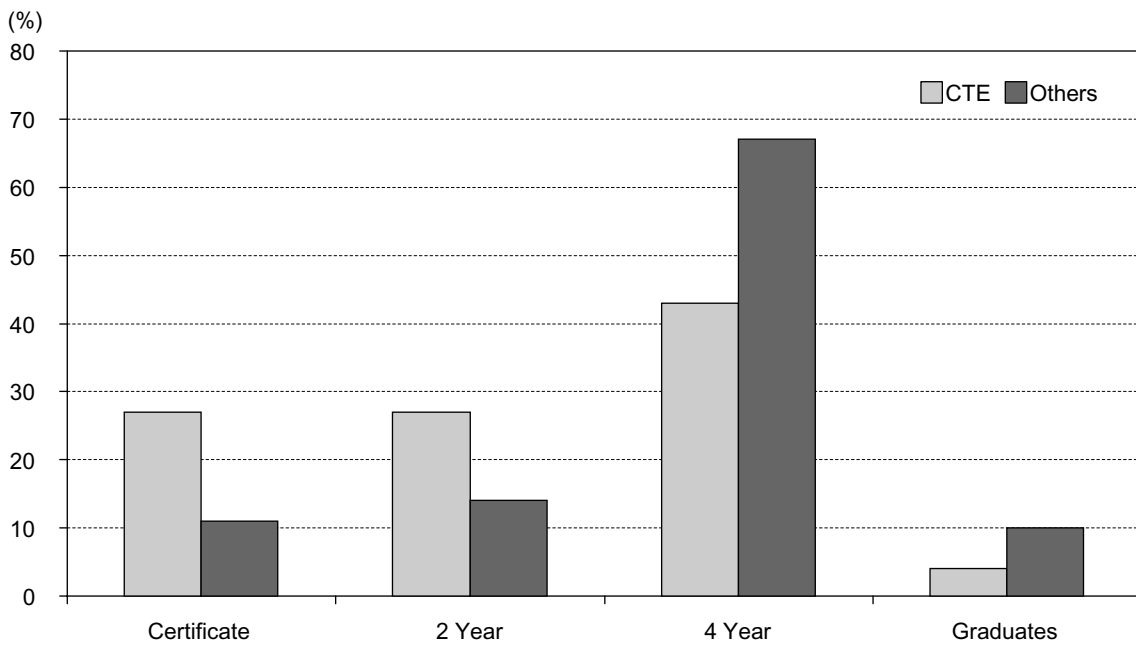
Source: Castellano, Stone, Stringfield, Farley, & Wayman (2004).

Figure 4. CTE Students and Learning the “Soft” Skills



Source: Castellano, Stringfield, Stone, & Wayman (2003).

Figure 5. CTE Students and Credential Acquisition



Source: National Assessment of Vocational Education 2004.

5. The Role and Impact of Postsecondary CTE

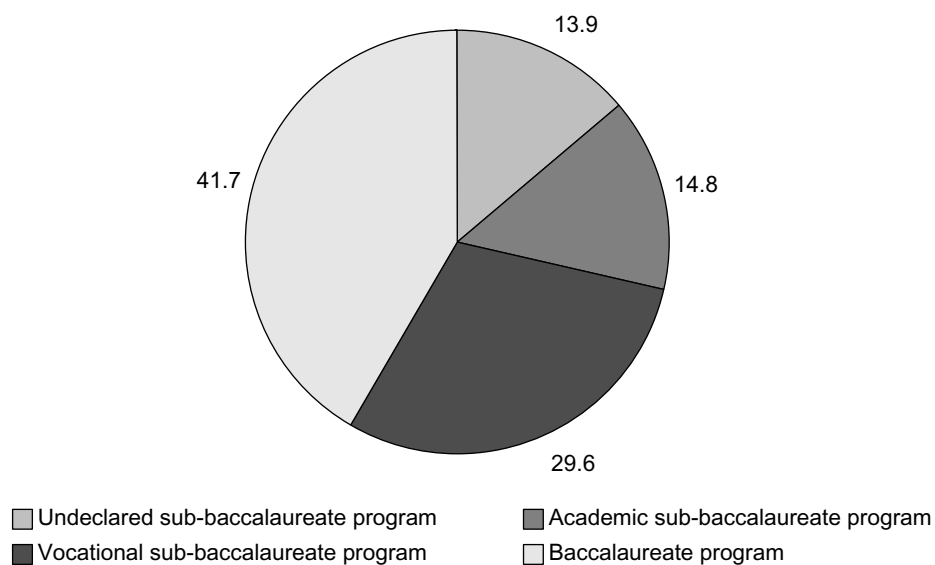
In the United States, postsecondary CTE is considered to be pre-baccalaureate education or training. Many 16 to 24 year olds avail themselves of courses and programs at their local community college—many without ever enrolling in formal programs. Postsecondary CTE includes offerings from 2-year colleges (community and technical colleges), area vocational centers, proprietary schools, adult learning centers as well as professional associations or labor unions, government agencies and the like. According to recent estimates, over 40 percent of the ‘for credit’ courses are taken at the two-year community colleges in the United States (Silverberg et al, 2004), while another 20 percent that are taken at proprietary institutes.

Community and technical colleges offer several types of credentials for students in a career pathway, as well for adults engaged in continued education and those transitioning to a different job. Four kinds of degrees or credentials are offered: an associate of arts (AA) that is assumed to be a university transfer degree; an associate of science (AS) degree that is a blend of transfer and occupational credits; and the associate of applied arts (AAS) degree that is heavily vocational in its content. In addition to these three degrees, students often opt for a credential that may require from six to eighteen months to complete (e.g. welding, carpentry). Bailey, Leinbach, Scott, Alfonso, Kienzl, & Kennedy (2004) found that 29 percent of all students enrolled in postsecondary education in 2000 were students in a vocational sub-baccalaureate program (see Figure 6). They also found that 64.5 percent of those students in 2000 earned an Associate of Arts degree, whereas 33.3 percent earned only a certificate.

A study conducted in the 1990s examining the effect of occupational course participation in community colleges found there were significant labor market payoffs (Grubb, 1996). The report noted that:

- Both certificates and Associate degrees increase the earnings of those who receive them—but not as much as a baccalaureate degree, which requires between two and four times as many credits, but, still, by substantial and statistically significant amounts.

Figure 6. Distribution of Postsecondary Students, by Program, 2000



Source: Bailey, Leinbach, Scott, Alfonso, Kienzl, & Kennedy (2004).

- There appear to be “program effects.” In general, completion of a certificate is more beneficial than completion of one year of college without a credential. An associate degree is more valuable than two years of college, and a baccalaureate degree increases earnings by more than four years of college without the credential.
- The benefits of sub-baccalaureate credentials vary substantially by field of study.
- The effects of having a job related to an individual's field of study are substantial. The returns to related employment are almost always higher than the returns to unrelated employment. The completion of coursework is necessary but not sufficient to realize economic benefit, and that placement in a related occupation is crucial.

While the improved economic outcomes for attending community college are documented and substantial, there still exists a gap in actual earnings between advantaged and disadvantaged groups who participate. According to some authors, this gap widens as a result of education beyond the high school diploma. At the same time, on an individual level, students with two-year degrees earn more than if they had entered the workforce with only a high school diploma (Bryant, 2001).

6. The Role and Impact of Government Programs

At the federal or national level, the U.S. Department of Labor provides some support for low achieving youth. The Job Corps is a no-cost education and vocational training program administered by the U.S. Department of Labor since 1964 that focuses on out of school, low income youth aged 16 through 24. More than 70 percent of enrollees are minorities. Job Corps participants enroll to learn a trade but are also supported in earning a high school equivalency diploma or GED and get help finding employment. Enrollees are paid a monthly allowance with increases based on tenure. Job Corps provides career counseling and transition support to its students for up to 12 months after they graduate from the program. A recent study by the independent research firm, Mathematica Policy Research Inc. (2002) found that Job Corps participants:

- Significantly improved literacy skills
- Had significantly higher earnings two years after completing the program
- Reduced the receipt of cash welfare
- Reduced the incidence of criminal arrests
- Produced a \$2 return on every \$1 invested in the program

Other programs target youth with disabilities. Notable is the Job Accommodations Network which is not a program but a technical assistance service provided to employers to attract, hire and retain young workers with disabilities (<http://www.dol.gov/odep>). Aside from data on the number of businesses seeking information, there are no studies detailing the impact of this program.

Grubb (1996) found that the vast array of government-sponsored job training programs do not increase earnings substantially. In this analysis, he did not distinguish between youth and adult students but his analysis included youth. He suggested that one explanation is that these programs target and enroll individuals with substantial barriers to employment—low skill levels, a lack of motivation or initiative, drug and alcohol abuse problems, physical disabilities—not otherwise described by this data but apparent to employers.

7. Why the Emphasis on University Degrees

As discussed earlier, the U.S. education system is increasingly emphasizing “college for all” regardless of academic ability or labor market demand (see Rosenbaum, 2002). One line

of logic for this is the presumption of the declining competitiveness of the U.S. labor force in a global market place. Another explanation is that the college degree has become a proxy for employability or work readiness by U.S. employers (Stone & Alfeld, 2006). Absent a national system of industry credentials and a widespread belief that the high school diploma no longer signifies meaningful achievement, employers rely instead on the acquisition of formal credentials beyond high school. Barton (2005) notes that employers do not like to hire workers until they are well into their 20s, irrespective of how well they do in high school.

In general, the idea of a university degree for all persists and recent national data indicate that there have been increases in enrollments and in completions since the early 1970s. Between 1972 and 2004, the rate at which high school completers enrolled in college in the fall term immediately after finishing high school increased from 49 percent to 67 percent. About half of White high school completers immediately enrolled in college 1972, and 69 percent had done so by 2004. For Black students the rate was stable between 1972 and 1977, but then decreased until 1983, widening the Black-White gap. Thereafter, the rate for Black graduates increased through 2004, narrowing the gap between the two groups. The annual rate has fluctuated over time for Hispanics, resulting in a nearly flat trend between 1972 and 2002, before increasing to 62 percent by 2004. The Hispanic-White gap widened between 1979 and 1997 (NCES).

While more high school completers are entering college, the ramification of these increases is still unclear. For example, several studies have documented the relatively low success rate of college enrollees. Rosenbaum (2002) found that 42 percent of high school graduates in the country complete and graduate from college, and that only 14 percent of low achievement students will obtain college degrees within ten years of leaving high school. Other studies put the success rate much lower, less than 20 percent completing a four year degree within six years (NCP, 2004). Regardless, these degrees are coming at increased costs to students and their families. The Public Interest Research Group found that more than two-thirds of college graduates leave with debt (up from just less than one-third ten years earlier) and between 23 percent and 55 percent of new graduates leave with loans described as unmanageable debt (Swarthout, 2006).

This is, in part, a function of the labor market into which college graduates are moving. Researchers have observed that a proportion of university-degree holders take high-school jobs, and about 40 percent of graduates earning a Bachelor of Arts degree in 1984 and 1986 thought a university degree was not needed to obtain the job they held a year after graduation (Pryor & Schaffer, 1997; Rosenbaum, 2002). What appears to be clear is that some university-educated workers are engaged in downward occupational mobility, that is, they are taking jobs for which a university degree is not demanded.

Recent projections from the U.S. Department of Labor suggest a bifurcation of the labor market with roughly equal growth in professional and service jobs representing opposite ends of both education requirements and earnings. Yet when specific occupations projected to add the most jobs in the next decade are examined the list is comprised of health, service, sales and office support. Of the "top 30" occupations of the future only 8 require formal post-high school education the rest require no more than on-the-job training (Hecker, 2005). Table 2 illustrates this phenomenon. Summarized another way, by 2014 about 46 percent of the available jobs will require high school with another 29 percent that will require some college (Table 3). Occupations requiring college will represent about 26 percent of available employment. Adelman (cited in the Chronicle of Higher Education, 2006) reported that 28 percent of adults reported earning a baccalaureate degree and another 7 percent reported earning an associates degree. These data suggest a certain kind of balance in labor market demand for education credentials and the available supply.

Table 2. The 10 Fastest Growing Occupations, 2004-2014

Occupation	2014 (thousands)	Percentage of Change 2004-2014	Education Required
Home health aides	974	56	Short-term OJT
Network systems and data communication analysts	357	55	Bachelor's degree
Medical assistants	589	52	Moderate OJT
Physician assistants	93	50	Bachelor's degree
Computer software engineers, applications	682	48	Bachelor's degree
Physical therapist assistants	85	44	Associate degree
Dental hygienists	226	43	Associate degree
Computer software engineers, systems software	486	43	Bachelor's degree
Dental assistants	382	43	Moderate OJT
Personal and home care aides	988	41	Short-term OJT

Source: Bureau of Labor Statistics, 2006. <http://www.bls.gov/oes/home.htm>.

Table 3. Jobs and Education: What is Required

Most Significant Source of Education and Training	Total Jobs 2014 (thousands)	Total Job Change 2004-2014 (thousands)	Percentage of Total Jobs Change 2004-2014	Percentage of Total Jobs 2014
First professional degree	2,202	356	1.9	1.3
Doctoral degree	2,535	594	3.1	1.5
Master's degree	2,552	407	2.2	1.6
Bachelor's or higher +	7,582	1,081	5.7	4.6
Bachelor's degree	20,378	3,335	17.6	12.4
Associate degree	6,770	1,361	7.2	4.1
PS vocational award	9,316	1,398	7.4	5.7
Work related occupation	12,119	1,061	5.6	7.4
Long-term OJT	11,980	954	5.0	7.3
Moderate-term OJT	31,421	2,464	13.0	19.1
Short-term OJT	57,699	5,916	31.3	35.1
<i>Total</i>	<i>164,554</i>	<i>18,927</i>	<i>100.0</i>	<i>100.0</i>

Source: Bureau of Labor Statistics, 2006. <http://www.bls.gov/oes/home.htm>.

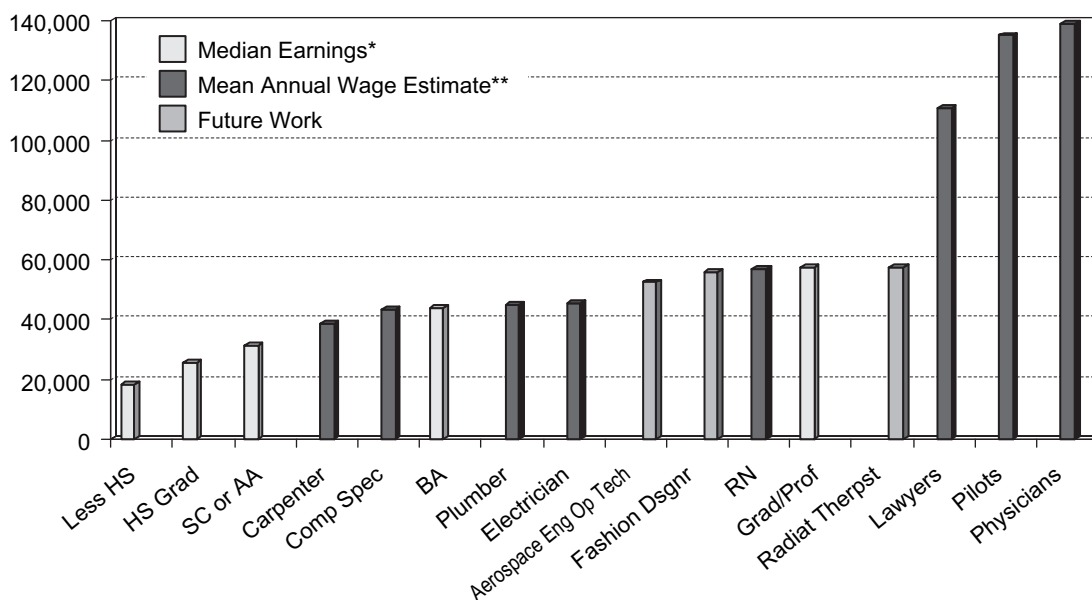
8. The Emerging Workplace and CTE

As one examines trends in the labor market, it is clear that many opportunities are available to non-college degreed youth if they possess the proper skills and training that could be provided by secondary CTE programs and postsecondary CTE programs both for the degree and certificate programs. This discussion also assumes the young, skilled applicant can get past the natural employer preference for older workers.

Stone & Alfeld (2006) discussed the new basic skills identified as necessary for success in the workplace of the 21st century: reliability, positive attitude, willingness to work hard, ninth-grade-or-higher mathematics abilities, ninth-grade-or-higher reading abilities, the ability to solve semi-structured problems at levels much higher than today's high school graduates, the ability to work in groups, the ability to make effective oral and written presentations, and the ability to use personal computers to carry out simple tasks such as word processing. Many of these skills are non-academic and can be developed in CTE and other forms of educational experience. Other reports (Barton, 2005; Mathematica Policy Research Inc., 2002) conclude that employers place a higher premium on hiring individuals who show good work habits, confidence and leadership skills—often described as “soft skills.” These are skill sets that are often lacking in many out of school and disadvantaged youth; yet are the kinds of skills that are the focus of quality high school CTE programs.

Given the relative decline in value of the baccalaureate degree in the labor market, it is useful to consider what other, non-baccalaureate occupations provide wages and benefits associated with a middle class life style. A partial list would include air traffic controller, trades and construction occupations, radiation therapist, fire fighter, elevator installer, dental hygienist, truck driver, auto technician, and registered nurse (Goldberger, Lessell, & Biswas, 2005). These and others occupations (see Figure 7) appeal to many who are not enamored of traditional schooling and are the focus of secondary and postsecondary CTE programs.

Figure 7. Earnings and Wages



* Past 12 months, in 2005 inflation-adjusted dollars.
Source: U.S. Census Bureau.

** May 2005 estimates.
Source: Bureau of Labor Statistics; http://www.bls.gov/oes/current/oes_nat.htm.

9. One Solution: Enhancing CTE to Ensure Access to Quality Jobs for Low Ability Youth

Quality CTE programs include three kinds of activities: classroom instruction, work-based learning, and related student organizations. Each represents an opportunity to engage youth to make learning more interesting and keep them in school, each represents an opportunity to improve the academic and technical skills of youth, and each represents an opportunity to motivate youth to continue education and training beyond high school. Stern and his colleagues reported on characteristics associated with quality school to work programs (Stern, et al, 1995). Some of these characteristics are classroom based, others are part of the work based learning experiences, and still others are focused on ensuring successful transition to continued education beyond high school (Table 4).

9.1. Classroom Learning

Since the late 1980s, there has been an effort to use the CTE classroom as a context to improve the academic skills of participants. This approach has the potential to improve students' learning in academic subjects by placing that learning in a practical context that gives concrete meaning to theories and abstract information (Stern et al, 1995). At the same time, it can deepen the intellectual content of vocational subjects. This effort is important for two reasons. First, the students who populate CTE classrooms bring with them characteristics associated with lower academic ability. Second, the federal legislation supporting CTE mandates it. Recently, the National Research Center for Career and Technical Education (NRCCTE) completed a large scale, experimental study of a pedagogic model of curriculum integration (Stone, Alfeld, Pearson, Lewis, & Jensen, 2005, 2006). In this study, students in the experimental classes significantly increased their scores on mathematics tests compared to students in the traditional CTE classes thus demonstrating the viability of building academic skills along with technical skills.

9.2. Work Based Learning

Using the workplace to enhance youth transition to the meaningful employment may seem plainly obvious. Yet despite the fact that the vast majority of youth in the United States work while in high school and many of them work more than 20 hours per week, very little of that employment is connected to any school based learning (Stone & Mortimer, 1998).

Work based learning takes many forms in the United States. The one most associated with high school CTE is "Coop" often called internship. Apprenticeships, common in many European countries are quite rare for in-school youth. Less intensive workbased learning like job-shadowing involve many more students (see Table 1). Evidence of the impact or effect of participation in any of the forms of work based learning is modest and mixed (Stern et al, 1995). More recent analyses by Neumark and Rothstein (2007) find some benefit of workbased learning, linked to school programs especially for males.

Swail and Kampits (2004) documented an unusual effect of high school work based learning on college achievement. In this study, they found that students who participated in high school work based learning or community service had higher grade point averages than students who did not. This evidence supports what many have argued that working outside of school can enhance youth development in ways traditional classroom learning cannot (Stone & Mortimer, 1998). One measure of this is in academic achievement in the university.

9.3. Transition to Education and Work

Increasingly, the emphasis of the public education system is moving youth to formal postsecondary education. However, secondary CTE programs are held accountable for the workplace success of their graduates as are postsecondary CTE programs. A number of

Table 4. Approximate Relative Frequency of Features in School-to-Work Programs

<i>Program Feature</i>	Co-Op	School- Based Enterprise	Tech Prep	School-to- Appren- ticeship	Youth Appren- ticeship	Career Academies
Structured work- based learning while in school	A	U	R	S	A	R
School curriculum builds on work experience	U	S	R	R	U	S
Work experience is paid	A	R	R	U	A	U
Employers provide financial support	A	R	R	U	A	U
Program arranges student work placement	U	A	R	U	U	U
Employer involvement in curriculum design	S	S	U	S	U	A
Integrated vocational and academic curriculum	R	S	U	S	U	A
Formal link to postsecondary education	R	R	A	S	U	S
Employment/ college counseling	S	R	U	S	S	S
Pre- 11th grade academic preparation	S	R	S	R	R	U
Pre- 11th grade career exploration	U	R	S	R	U	U
Targets at-risk or non-college bound students	U	S	R	S	S	S
Students have mentors from outside school	S	R	R	S	U	U
Occupational certification	R	R	S	A	A	R

(A = always, U = usually, S = sometimes, R = rarely)

strategies have been employed to increase the college going rate of CTE students, most notably Tech Prep (Bragg et al, 2002). Evidence of how CTE participation affects college going is somewhat mixed but the most recent federal government report (Silverberg et al, 2004) suggests that CTE students attend college at a lower rate than other students but over time the difference declines. CTE students are more likely to attend two-year colleges than universities. To an extent this is reasonable given the vocational focus of programs available at two-year colleges.

The economic benefit of high school CTE has been examined often over the years. Bishop and Mane found that those who devoted about one-sixth of their time in high school to occupation-specific vocational courses earned at least 12 percent extra one year after graduating and about 8 percent extra seven years later (holding attitudes and ability in 8th grade, family background and college attendance constant). This was true both for students who did and did not pursue post-secondary education. More recently Hollenbeck Huang (2006) found a positive return on the investment the high school CTE student and to the state.

10. Conclusion

We began this paper by noting that the United States is not one system of education but rather 50 systems, each state designing and largely funding its own approach. Within many of these states, local school districts may operate with near independence. While such diversity of education approaches is often applauded, it makes addressing transcendent issues such as this difficult; it makes finding and implementing solutions even more difficult. As well, we have documented the growing reluctance of employers to hire youth with only a high school diploma regardless of well they performed in high school, preferring older workers instead.

The question of youth transition to work, low skilled or otherwise, is not a major policy focus in the United States except on the margins. The current political climate is such that all youth are expected to move through high school and into postsecondary education. The problem of preparing youth, low achieving and others, for success in the workplace is thus the domain of higher education.

The reality of course does not match up with the rhetoric. Nearly one-third of youth drop out of high school and the majority of those who do graduate and attempt college, do not succeed. Most community colleges in the United States are open entry allowing individuals, regardless of academic ability, to enroll. Most public universities, while not open entry, often are not very selective either. Thus youth who are inadequately prepared academically, none-the-less attempt college and fewer than half ever complete.

The United States does not have a well developed second chance system for either the high school or college drop out. The individual is left alone to muddle through with limited, systematic help from the national government. Individual states vary in the quality and availability of supportive programs.

The public education system cannot create jobs, that is a function of the economic system and related macro-economic policy. The public education system cannot easily transform employers' opinions about youthful workers. There is not the national will to create a national, second chance system to address the needs of disengaged, out of school, and low achieving youth.

This reality argues for one thing the public education system and related government policy can do: improve the availability and quality of high school CTE—a first chance system. Using students' natural interest in the world around them as a tool to first engage them in learning; then using that interest to improve the academic skills necessary to succeed as an adult; and finally to link youth employment to in-school programs is a necessary first strategy to improving the school to adult transition of youth.

References

- ACT (2006). *Ready for college and ready for work: Same or different*. Iowa City, IA: author. (<http://www.act.org/path/policy/pdf/ReadinessBrief.pdf>)
- Bailey, T., Leinbach, T., Scott, M., Alfonso, M., Kienzl, G., & Kennedy, B. (2004, August). *The characteristics of occupational students in postsecondary education*. (CCRC Brief). New York: Columbia University. Teachers College.
- Barton, P. (2005). *One-third of a nation: Rising dropout rates and declining opportunities*. (Policy Information Report). Princeton, NJ: Educational Testing Services.
- Bishop, J. & Mane, F. (2004). "The impacts of career-technical education on high school labor market success." *Economics of Education Review*, 23: 381-402.
- Blau, P. M., & Duncan, O. D. (1967). *The American occupational structure*. New York: John Wiley & Sons.
- Bragg, D. D., Loeb, J. W., Gong, Y., Deng, C.-P., Yoo, J.-s., & Hill, J. L. (2002). *Transition from high school to college and work for tech prep participants in eight selected consortia*. St. Paul, MN: National Research Center for Career and Technical Education.
- Bryant, A. N. (2001) The economic outcomes of community college attendance. Los Angeles: ERIC Clearinghouse for Community Colleges (ED467981)
- Castellano, M., Stone, J. R., III, Stringfield, S., Farley, E. N., & Wayman, J. C. (2004). *The effect of CTE-enhanced whole-school reform on student course taking and performance in English and science*. St. Paul, MN: National Research Center for Career and Technical Education.
- Castellano, M., Stringfield, S., Stone, J. R., III, & Wayman, J. C. (2003). *Early measures of student progress in schools with CTE-enhanced whole-school reform: Math course taking patterns and student progress to graduation*. St. Paul, MN: National Research Center for Career and Technical Education.
- Chronicle of Higher Education (2006, April 10). *Government analyst deplores shoddy statistics and claims about higher education*. Washington, DC.
- Cohen, M. & Besharov, D. J. (2002). *The role of career and technical education: Implications for the federal government*. U.S. Department of Education, Office of Vocational and Adult Education, ED-99-CO-0160.
- Congress of the United States. Congressional Budget Office (2004). *What is happening to youth employment rates?* Washington, DC: Author.
- D'Amico, R., & Maxwell, N. (1990). *Black-white employment differences during the school-to-work transition: An explanation for between and within-race differences*, Palo Alto, CA: SRI International.
- Ellwood, D. (1982). "Teenage unemployment: Permanent scars or temporary blemishes?" In R. B. Freeman & D. A. Wise (Eds.), *The Youth Labor Market Problem*, Chicago: The University of Chicago Press.
- Fine, M. (1991). *Framing dropouts: Notes on the politics of an urban high school*. Albany: State University of New York Press.
- Gardecki, R., & Neumark, D. (1998). "Order from chaos? The effects of early labor market experiences on adult labor market outcomes," *Industrial and Labor Relations Review*, 51 (2), 299-322.
- Gardner, D. P. (1983). *A Nation at Risk: The Imperative for Educational Reform. An Open Letter to the American People. A Report to the Nation and the Secretary of Education*. Washington D. C.: Department of Education.
- Gray, K. (2002). "The role of career and technical education in the American high school: A student centered analysis," U.S. Department of Education, Office of Vocational and Adult Education, ED-99-CO-0160.
- Gritz, R. M. & MaCurdy, T. (1992). *Participation in low-wage labor markets by young men*. Washington, DC: U.S. Department of Labor, Bureau of Labor Statistics. (Report: NLS 93-16).
- Goldberger, S., Lessell, N. & Biswas, R. R. (2005) *The right jobs: Identifying career advancement opportunities for low-skilled workers*. Boston: Jobs for the Future.
- Grubb, N. (1996). *The returns to education and training in the sub-baccalaureate labor market: Evidence*

- from the survey of income and program participation 1984-1990. Saint Paul, MN: The National Center for Research in Career and Technical Education (MDS-765).
- Hauser R., & Sewell, W. H. (1984). *Family effects in simple models of education, occupational status and earnings: Findings from the Wisconsin and Kalamazoo studies*. CDE Working Paper 84-29. Madison, WI: University of Wisconsin. Center for Demography and Ecology.
- Hecker, D. E. (2005). *Occupational employment projections to 2014*. United States Department of Labor, Bureau of Labor Market Statistics. Retrieved August 22, 2006 from <http://www.bls.gov/opub/mlr/2005/11/art5full.pdf>
- Heckman, J. J. (1994). "Is job training oversold." *The Public Interest*, May, 91-115.
- Hollenbeck, K. M. & Huang, W. J. (2006). *Net impact and benefit-cost estimates of the workforce development system in Washington state*. Kalamazoo, MI: Upjohn Institute. Technical Report No. TR06-020.
- Klerman, J. A., & Karoly, L. A. (1994). "Young men and the transition to stable employment," *Monthly Labor Review*, 117, 31-48.
- Levesque, K. (2003). Trends in high school vocational/technical course-taking: 1982-1998. Washington, DC: National Center for Education Statistics.
- Levesque, K. A., Lauren, D., Teitelbaum, P., Alt, M., Librera, S., & Nelson, D. (2000). *Vocational education in the United States: toward the year 2000*. Washington, D.C.: U.S. Department of Education, National Center for Education Statistics.
- Lewis, M. V. (2000). "Vocational education and the dilemma of education." *Journal of Vocational Education Research*, 25, 575-84.
- Lynch, R.L. (2000). "High school career and technical education for the first decade of the 21st century." *Journal of Vocational Education Research*, 25, 155-198.
- Mathematica Policy Research Inc. (2002). *Job Corps: An education and training program for disadvantaged youth that works*. Princeton, NJ.
- Meyer, R. H. & Wise, D. A. (1982). "High school preparation and early labor force experience." In R. B. Freeman & D. A. Wise, *The Youth Labor Market Problem: Its Nature, Causes and Consequences*. Chicago: University of Chicago Press.
- Murphy, K., & Welch, F. (1992). "The structure of wages." *Quarterly Journal of Economics*, 57, 285-326.
- National Assessment of Educational Progress (2005a). *The Nation's Report Card Mathematics 2005*. Washington, DC: National Center for Education Statistics.
- National Assessment of Educational Progress (2005b). *The Nation's Report Card Reading 2005*. Washington, DC: National Center for Education Statistics.
- National Center on Education and the Economy (2007). *Tough choices; tough times*. New York: John Wiley & Sons, Inc.
- National Center for Education Statistics [NCES] (2004). *The condition of education 2004. Indicator 18: Remediation and degree completion*. Author.
- National Center for Education Statistics [NCES] (2006a). *The condition of education 2006. In brief*. Washington, DC: Author.
- National Center for Education Statistics [NCES] (2006b). *Dropout rates in the United States: 2002 and 2003*. Washington, DC: Author.
- National Center for Public Policy and Higher Education [NCPPE] (2004). *Measuring up*. San Jose, CA: Author.
- Neumark, D. & Rothstein, D. (2007). "Do School to work programs help the 'forgotten half?'" In D. Neumark (Ed.), *Improving school-to-work transitions*. New York: Russell Sage.
- Oakes, J., Gamaron, A., & Page, R. N. (1992). "Curriculum differentiation: Opportunities, outcomes, and meanings." In P. W. Jackson (Ed.), *Handbook of research on curriculum* (pp. 570-608). New York: McMillan.
- Orfield, G. (Ed.). (2004). *Dropouts in America: Confronting the graduation rate crisis*. Cambridge, MA: Harvard Education Publishing Group.
- Pergamit, M. R. (1995). *Assessing school to work transitions in the United States*. Discussion paper.

- Washington, DC: U.S. Bureau of Labor Statistics, (Report: NLS 96-32).
- Plank, S. (2001). *Career and technical education in the balance: An analysis of high school persistence, academic achievement, and postsecondary destinations*. St. Paul, MN: National Research Center for Career and Technical Education.
- Plank, S., DeLuca, S., & Estacion, A. (2005). *Dropping out of high school and the place of career and technical education: A survival analysis of surviving high school*. Saint Paul, MN: National Research Center for Career and Technical Education.
- Pryor, F. L., & Schaffer, D. (1997). "Wages and the university educated: A paradox resolved." *Monthly Labor Review*, July, 3-14.
- Roey, S., Caldwell, N., Rust, K., Blumstein, E., Krenzke, T., Legum, S., Kuhn, J., Waksberg, M., & Haynes, J. (2001). *The 1998 high school transcript study tabulations: Comparative data on credits earned and demographics for 1998, 1994, 1990, 1987, and 1982 high school graduates*. Washington, DC: National Center for Education Statistics.
- Rosenbaum, J. E. (2002). *Beyond empty promises: Policies to improve transitions into college and jobs*. U.S. Department of Education, Office of Vocational and Adult Education, ED-99-CO-0160.
- Rumberger, R. W., & Lamb, S. P. (1998). "The early employment and further education experiences of high school dropouts: A comparative study of the United States and Australia." Paper prepared for the Organisation for Economic Co-operation and Development.
- Silverberg, M., Warner, E., Fong, M., & Goodwin, D. (2004). *National Assessment of Vocational Education: Final report to Congress*. Washington, D.C.: U.S. Department of Education.
- Stern, D., Finkelstein, N., Stone, J. R., III, Latting, J., and Dornsife, C. (1995). *School to work: Research on programs in the United States*. Washington, DC: Taylor and Francis/Falmer Press.
- Stone, J. R. III (2001) *What do we know about career and technical education preliminary findings from 2000 & 2001 NRCCTE projects: A briefing paper*. National CTE Leadership Conference, November 2001. Washington, D.C.: The U.S. Department of Education/Office of Vocational and Adult Education
- Stone, J. R., III & Alfeld, C. (2006). "The neglected majority-revisited," *Journal of Career and Technical Education*, 21, 61-74.
- Stone, J. R., III, Alfeld, C., Pearson, D., Lewis, M. V., & Jensen, S. (2005; 2006). *Building academic skills in context: Testing the value of enhanced math learning in career and technical education*. St. Paul, MN: National Research Center for Career and Technical Education.
- Stone, J. R., III, & Aliaga, O. A. (2003). *Career and technical education, career pathways, and work-based learning: Changes in participation 1997-1999*. St. Paul, MN: National Research Center for Career and Technical Education.
- Stone, J. R., III, & Aliaga, O. A. (2007a). *Re-defining career and technical education participation*. Paper presented at the Annual Meeting of the American Educational Research Association, Chicago, IL.
- Stone, J. R., III, & Aliaga, O. A. (2007b). "Participation in career and technical education and school-to-work in American high schools." In D. Neumark (Ed.), *Improving school-to-work transitions* (pp. 59-86). New York: Russell Sage.
- Stone, J. R., III, & Mortimer, J.T. (1998). "The effect of adolescent employment on vocational development: Public and educational policy implications," *Journal of Vocational Behavior*, 53, 184-214.
- Swail, W S., & Kampits, E. (2004). *Work-based learning and higher education: A research perspective*. Washington, DC: Educational Policy Institute, Inc.
- Swanson, C. B. (2004). *Graduation rates: Real kids, real numbers*. Washington, DC: The Urban Institute.
- Swarthout, L. (2006). *Paying back, not giving back: Student debt's negative impact on public service career opportunities*. Boston: The U.S. Public Interest Research Group.
- Topel, R. H., & Ward, M. P. (1992). "Job mobility and the careers of young men," *Quarterly Journal of Economics*, May, 439-479.
- Tuma, J. (1996). *Trends in participation in secondary vocational education: 1982-1992*. Washington, DC: National Center for Education Statistics.
- U.S. Department of Labor (1994). *Occupational Outlook Quarterly*. Washington, DC: Author, Bureau of

Labor Statistics.

U.S. Department of Labor, (1998). Selected unemployment Indicators: Seasonally adjusted, Table A-5.
<http://stats.bls.gov>.

Veum, J. R., & Weiss, A. B. (1993). "Education and the work histories young adults," *Monthly Labor Review*, April, 11-20.

The Situation of Transitions from School to Work and Related Support Systems in Japan

Yukie Hori

The Japan Institute for Labour Policy and Training

1. Introduction

The purpose of this paper is to grasp the situation of young people's difficult transitions from school to work and related support systems in Japan.

Up until the early 1990s, young people successfully transit from school to work in Japanese society. Since the late 1990s, however, there was an increase in the number of young part-time workers ("*freeters*"), unemployed, and jobless (NEET: Not in Employment, Education or Training).

Japanese corporations, particularly big companies, only hire new graduates. Major corporations most often hire, from among college/high school seniors, the required number of employees as determined by a review of their outlook for the following fiscal year. The hiring is based on the potential ability of the applicants, and job rotation and human resource investment are used to train the new employees. Mid-career recruiting is rare in large companies (Tanaka 1980). Thus students usually begin job search before graduation. There is no interval between school and work in Japan, people's career depend on getting regular job when leaving school.

Issues deriving from failure to get regular job are easily found in economic context as proven by the income disparity between different employment types as displayed in Table 1.

The hourly income gap between these groups grows larger as age increases. The annual number of working days for *freeters* and temporary workers exceeds 200 days per year, and the average number of hours worked per week is relatively less than that of regular employees. Nonetheless, this average exceeds 40 hours during their early 30s, indicating that they work as much as regular employees without overtime. However, their annual incomes, as well as their hourly pay, are lower than those of regular employees. Using an indicator in which the hourly income of regular employees is set at 100, estimating the disparity between *freeters* and regular employee income reveals that the income gap between *freeters* and regular employees grows larger as age increases; it is not significant among teenagers, but it increases among older age groups.

Annual income and employment type correlate closely with family marriage. Among male employees, higher annual salaries are associated with a rising percentage of married employees, and the percentage of married *freeters* is lower than that of regular employees within the same age group (JILPT 2004). Non-regular employees are characterized by limited opportunities for career-related skill development and fewer career prospects. Furthermore, the social network for *freeters* is homogeneous and limited compared to that of regular employees (JILPT 2006).

Of course, being a regular employee can be an excessive burden on one's life, as evinced by the long work hours. Nonetheless, failure to secure full-time employment is a definitive factor in the formation of difficulties affecting various aspects of one's life in Japan.

Table 1. Income Disparities among Different Employment Types (Status)

	Employment Type(Status)	Work Days Per Year (Unit: Days) ②	Average Work Hours Per Week (Unit: Hours) ②	Annual Income (Unit: 10,000 yen) ②	Hourly Income (Unit: yen) ③	Difference from Regular Employee Income ④	
Male	15-19 Years Old	Freeters	201.2	36.9	120.2	664.4	80
		Temporary Employees	219.8	43.4	177.2	830.6	100
		Regular Employees	229.6	47.2	197.4	833.2	100
	20-24 Years Old	Freeters	208.5	38.3	147.6	780.3	73
		Temporary Employees	221.6	43.8	210.9	979.6	91
		Regular Employees	232.9	47.7	256.2	1072.4	100
	25-29 Years Old	Freeters	209.0	39.1	166.7	850.2	62
		Temporary Employees	223.8	44.8	253.4	1134.0	83
		Regular Employees	233.9	48.4	332.4	1367.0	100
30-34 Years Old	Freeters	212.1	40.4	178.1	903.6	53	
	Temporary Employees	225.0	45.5	297.9	1300.1	77	
	Regular Employees	234.2	48.7	415.4	1694.3	100	
Female	15-19 Years Old	Freeters	197.5	32.4	106.0	660.1	85
		Temporary Employees	217.5	40.8	141.9	694.6	89
		Regular Employees	230.1	44.7	173.5	778.5	100
	20-24 Years Old	Freeters	207.6	35.3	126.4	726.4	72
		Temporary Employees	220.1	40.4	178.9	886.9	87
		Regular Employees	231.3	44.8	227.9	1015.7	100
	25-29 Years Old	Freeters	209.1	35.0	135.1	783.8	63
		Temporary Employees	217.2	39.2	199.5	1015.1	82
		Regular Employees	231.9	44.1	275.9	1238.7	100
	30-34 Years Old	Freeters	208.9	34.1	131.9	798.0	55
		Temporary Employees	212.5	37.4	196.9	1054.5	73
		Regular Employees	231.0	43.2	315.0	1445.3	100

Source: JILPT (2006).

Note: ① The survey was conducted on those working 200 days or more or 199 days or less, and claiming to work "regularly in general."

② These figures were obtained by calculating the arithmetic average when the median of the category data (lowest value in largest category) was made the case value.

③ These figures were determined by dividing "Annual Income" by the product of "Work Hours Per Week" multiplied by 52 weeks.

④ The per hour income for freeters and temporary workers were converted to a scale in which the per hour income of regular employees was set at 100.

This paper examines how young people's transitions to work have changed amidst this social context. Section 2 provides an outline of the education system and the status of transitions in Japan. Section 3 discusses the abandonment of unstable employment. Section 4 summarizes support systems for the transitions witnessed in recent years and Section 5 provides our conclusion.

2. Overview of Education System and Transitions

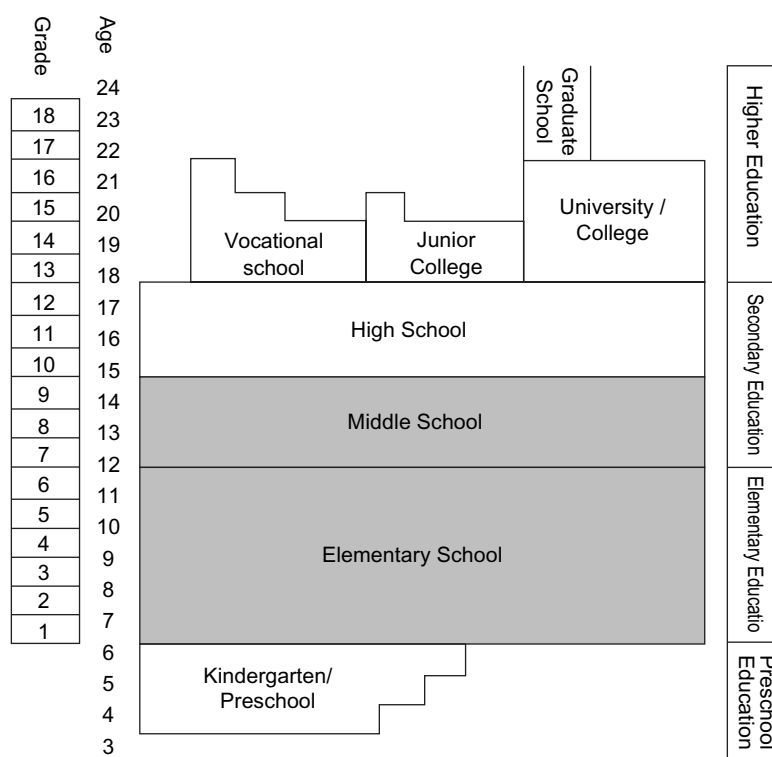
2.1. Education System

Figure 1 shows the education system that most Japanese youth experience. Compulsory education lasts for nine years; six years in elementary school and three years in middle school. The future of Japanese youngsters is determined at the age of 15 by high-school entrance exams.

The Japanese education system is single-track, but a young person's future and social status largely depend on the high school to which they gain admittance (Iwaki and Mimizuka, 1981). High schools are ranked in a hierarchy according to the number of students sent to elite universities. While high school is not compulsory, the percentage of students attending high school is more than 96%, and the drop-out rate is as low as two to three percent. Because research and support systems are still lacking, the true picture of high-school drop-outs is not clear. Seventy percent of junior high school graduates beginning full-time employment will

leave their job within three years by voluntary reason. As there is no further extensive research regarding the career of this population either, this paper will focus mainly on those with a high school diploma.

Figure 1. Japanese Education System (partially abbreviated)



Note: This data is based on the *School Basic Survey* by the Ministry of Education, Culture, Sports, Science and Technology. The author made a partial revision to the original data.

2.2. Transitions from High School to Work

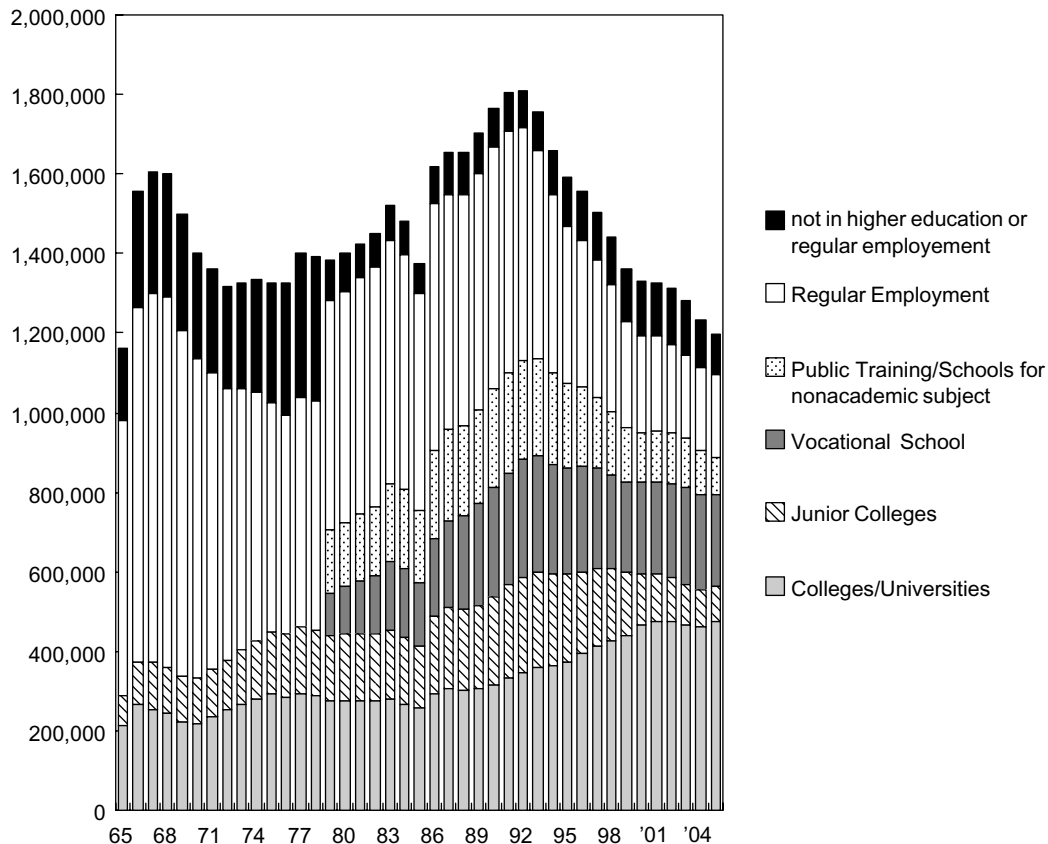
Japanese high school students' school-to-work transitions changed dramatically in the 1990s (Figure 2). The changes can be summarized by the following three points.

The first change is marked by an increase in the percentage of those attending a university/college/junior college/vocational technical school. Presently, 70% or more of high school graduates pursue higher education.

The percentage of high school graduates attending university, college, or junior college was around 30% in the mid 1970s to 1980s. Increases appeared in the 1990s and the percentage climbed to approximately 50% at present. Universities in Japan number more than 700, and most of these are private institutions.

Vocational school is another option for high school graduates. Vocational school is a private school offering a practical education within two to four academic years. Less public support and control is provided for this type of school, thus it is often cited as a "no support, no control" school. The number of such schools expanded in the 1980s when attending college was difficult, and they became popular in the 1990s' recession since they provided an easier means to obtain employment. Though it has become less difficult to go to college and the number of students attending vocational schools has decreased, the total percentage of high school graduates going to these schools still hovers 20% or less.

Figure 2. Transition of High School Graduates



Source: *School Basic Survey (For Multiple Years)*.

Note: Before 1980, those who went to public training/miscellaneous schools and technical vocational school special programs were included in jobless and Others.

The second change is represented by a dramatic decline in the employment rate of high-school graduates. This rate was 35% in the 1990s, but is currently less than 20%. The employers tend to be smaller companies and working condition will be worse.

The third change is evinced by an increase of those not in higher education or regular employment. In the past, high school students decided their career/education path before graduation. Currently, however, the number of high school graduates (mainly in urban areas) choosing neither to study nor work has risen to ten percent.

On the other hand, public training schools are primarily provided by polytechnic schools (established by prefectural and city governments) and polytechnic colleges (established by the Employment and Human Resources Development Organization of Japan). The number of graduates is only 30 thousand. Schools for nonacademic is private schools without certification from the Ministry of Education, Culture, Sports, Science and Technology, presumably account for the majority. Therefore, public vocational training for young people in Japan is extremely limited.

Changes in the transitions of Japanese high school graduates were caused by various factors, but the main reasons were decline in the young labor market, changes in school placement service for high school students, and changes in high-school student culture.

2.2.1. Decline in the young labor market

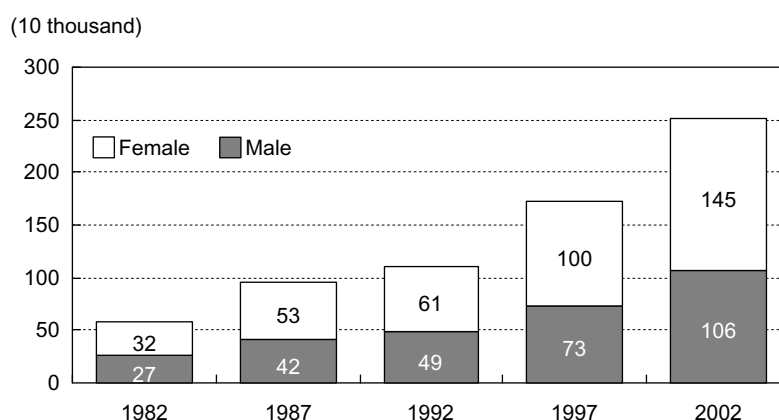
In the 1990s, Japan experienced not only a recession but also corporate personnel management make the best use of non-regular employees. According to the *Annual Report on*

the Labour Economy, the percentage of non-regular employees in the 15-24 age group (only male, excluding students) was 9.2% in 1995, increased to 19.3% in 2000 and then to 28.5% in 2005. In the 25-34 age group, the percentage increased from 2.9% to 5.6% and then to 13.2%, respectively (Ministry of Health, Labour and Welfare 2006).

Non-regular workers did not increase in all of the younger population. Let us first examine *freeters*, which are part-time employees¹, using the *Employment Status Survey*². The word “*freeters*” is an abbreviated form of “free *albeit* employees.” In Japanese, “*albeit* employees” refers to young part-time employees. The term *freeters* originally was used as a general reference to those young people choosing to follow their dreams and work irregularly during the “bubble” economy, but it now refers generally to those young people working as part-time employees.

Figure 3 illustrates the increase of *freeters* over time. The number of *freeters* was approximately 590 thousand in 1982, and this figure increased to 2.51 million in 2002. Currently, 2.25 million, or 90% of them are employed *freeters*.

Figure 3. Shifts in the Number of *Freeters*



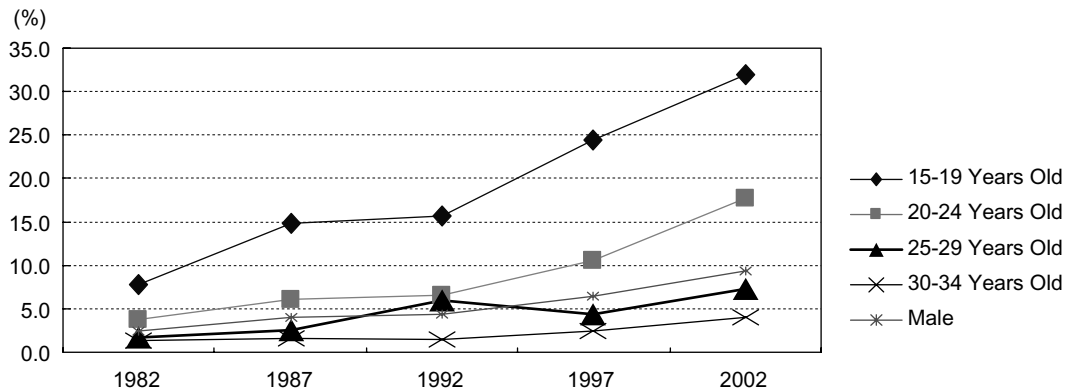
Source: Ministry of Internal Affairs and Communications, Employment Status Survey.
Note: 2007 is the next survey year.

The percentage of male *freeters* in the population increased from 2.4% in 1982 to 9.3% in 2002, and female *freeters* from 7.3% to 21.9% in the same time period (Figure 4 and 5).

¹ *Freeters* here refers to 15-34 year olds that are not students. In the case of women, they must also be unmarried. Furthermore, they must either be a) working as employees called part-time workers or “*albeit* workers,” or b) seeking a job as part-time, *albeit*, or temporary workers but not attending school or helping with housework. Population parameters for calculating the *freeters* percentage is limited to those who are 15-34 years old, non-students, unmarried in the event they are female, and they are a) employees (though not managers), or b) non-employed but seeking a job with income.

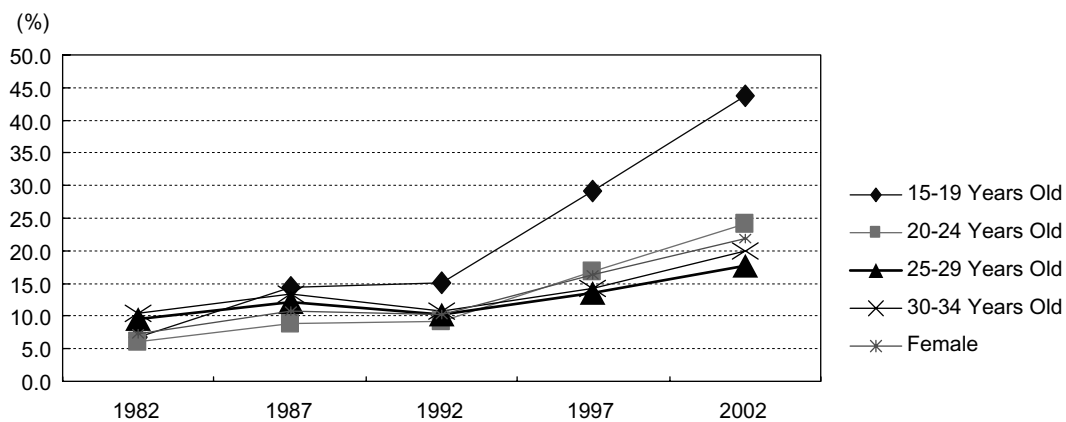
² The *Employment Status Survey* is conducted every 5 years. The latest survey was conducted in 2002, and the data is rather old for examination in 2006. Nonetheless, this survey is a large scale study with abundant information on workers across Japan, thus we will use this data in our discussion.

Figure 4. Shifts in the Percentages of Male *Freeters* across Different Age Groups



Source: Ministry of Internal Affairs and Communications, Employment Status Survey.
 Note: 2007 is the next survey year.

Figure 5. Shifts in the Percentages of Female *Freeters* across Different Age Groups



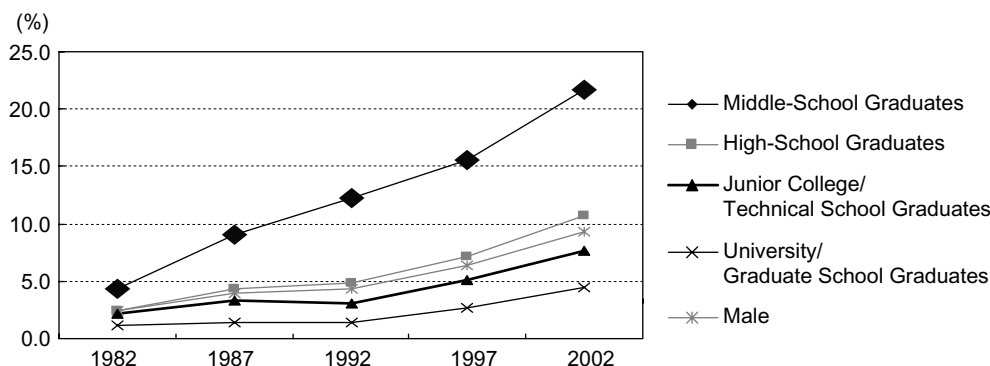
Source: Ministry of Internal Affairs and Communications, Employment Status Survey.
 Note: 2007 is the next survey year.

The above figures show that an increase in the percentage of *freeters* is remarkable in those in their teens compared to other age groups.

As for the percentage of *freeters* from different academic backgrounds (Figure 6 and 7), middle school graduates (including high-school drop-outs) claim the highest percentage of *freeters*, while those with college or graduate level educations account for a lower percentage. In recent years, while the overall percentage of *freeters* has grown, the increase in the latter is not as remarkable as in the former; the gap between these groups is growing larger.

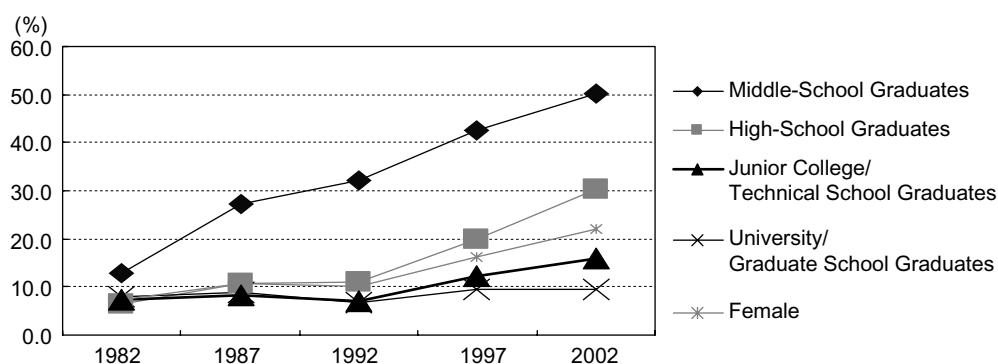
In short, during the 1990s, those who are young and with less education, such as high school graduates, tended to encounter more of the aforementioned issues. As the economy becomes more knowledge-driven, job demand for the less educated declines. This is observable not only in Japan, but in other countries as well. In Japan, however, this is not the only reason why transitions have become difficult. Another factor driving this phenomenon is a change in high school placement service, and changes in high-school student culture.

Figure 6. Shifts in the Percentages of Male *Freeters* across Different Academic Backgrounds



Source: Ministry of Internal Affairs and Communications, Employment Status Survey.
Note: 2007 is the next survey year.

Figure 7. Shifts in the Percentages of Female *Freeters* across Different Academic Backgrounds



Source: Ministry of Internal Affairs and Communications, Employment Status Survey.
Note: 2007 is the next survey year.

2.2.2. Changes in high school placement service and changes in high-school student culture

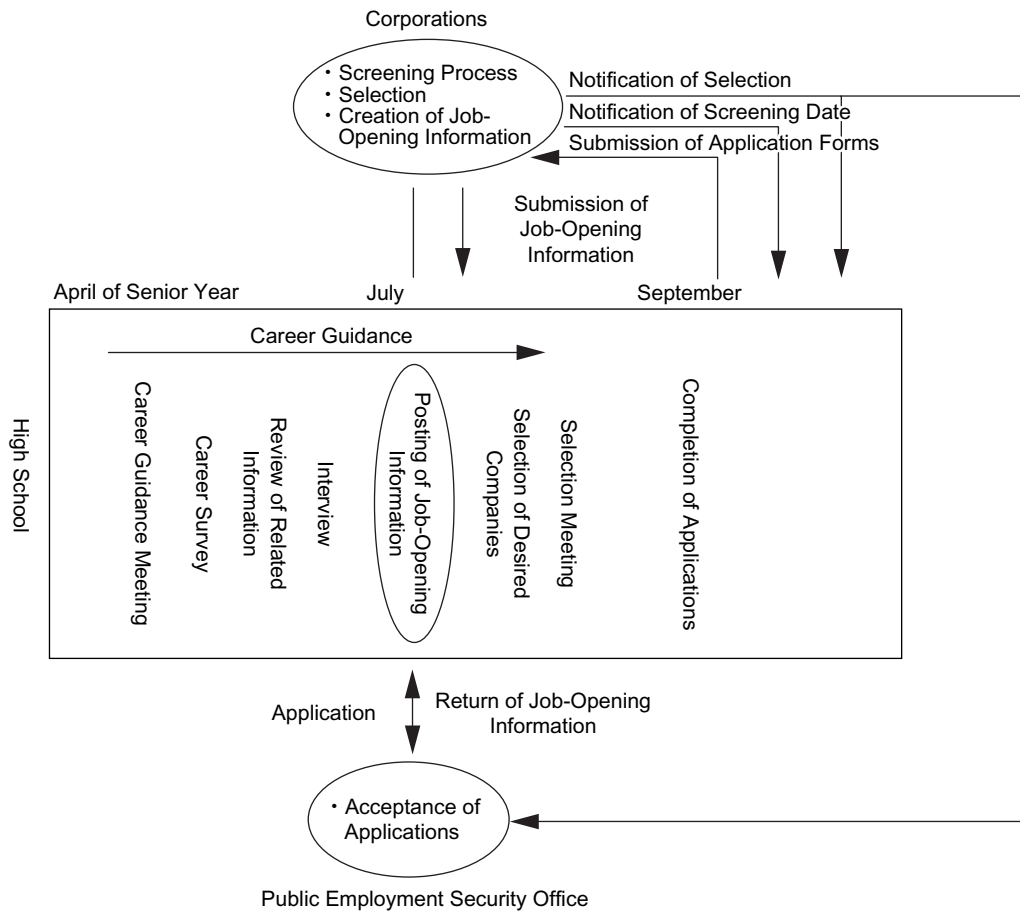
High school placement service and high-school student culture is cited as a major factor of what used to make smooth transitions from school to work possible for high school graduates. The employment system for high school graduates in Japan is very unique and there are no other countries possessing a similar system; most Japanese high school students secure employment by means of a school recommendation.

Figure 8 reflects the employment system of Japanese high school students. Employment Security Office first verifies the content of corporation offerings for high school students, and asks high schools that firms offer. Corporations' standards for choosing high schools are based on their past record of employment of students from those schools. Therefore, new high schools or non-technical schools with a lower percentage of employment have fewer job offerings.

Students choose only one company from job offers. If many students applying, their school placement service chooses students based on their grades and the employers accept them accordingly. Thus, high school teachers provide not only career guidance, but also job placement, acting as a liaison between education and employment.

This cooperative relationship between corporations and high schools is called *Jisseki-*

Figure 8. Employment System for Japanese High School Students



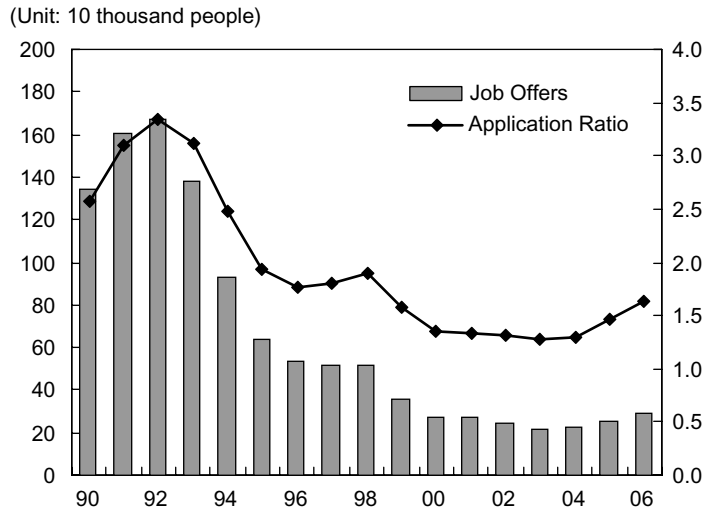
Source: The Japan Institute of Labour (1998).

Kankei and has afforded high school students with a smooth transition from school to work in Japan.

During the recession in the late 1990s, corporations abandoned the *Jisseki-Kankei* with high schools, and the number of Job Offer to applicant dramatically declined (Figure 9). Student culture also changed, and fewer students participated in job hunting for regular employment. Since high school placement service could not provide sufficient job openings for students, it became difficult to balance job placement and career guidance, thus losing its function. In 2006, due to the improvement in the economy and the retirement of baby boomers, employment for high-school students has drastically improved, but this is expected to last only temporarily.

On the other hand, while admission of higher education has become easier academically due to a decline in the population of 18 year-olds, one still needs to pay one million yen for application fee and first-year tuition. Scholarships are not sufficient to cover all costs, though the scholarship system is improving. Therefore, the number of high school graduates unable to go to higher education or become fully employed that end up “straying” in the labor market as *freeters* or the unemployed (Mimizuka 2006).

Figure 9. Job Offers and Application Ratio for High School Students



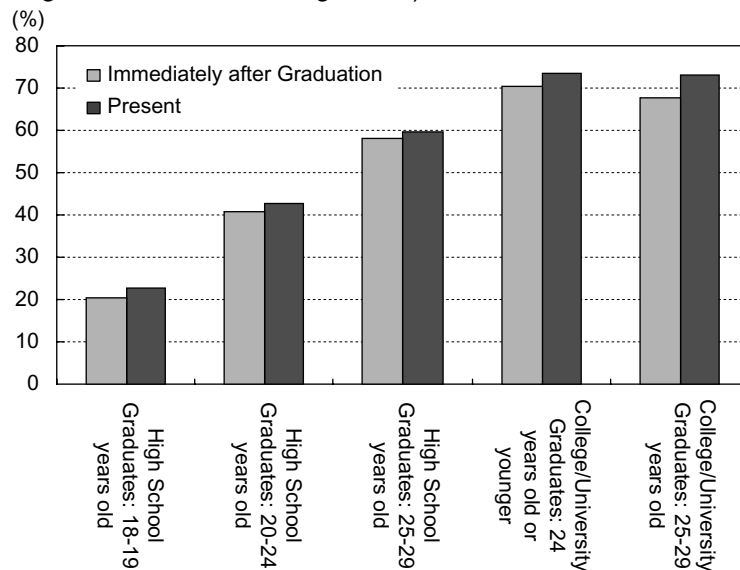
Source: Labor Market for New Graduates by the Ministry of Health, Labour and Welfare.

3. Abandonment of Unstable Employment

Let us examine whether young people can transit from *freeters* to regular employees. Our analysis is based on The Second Survey of Youth Work Styles by the JILPT in February 2006, a survey conducted upon two thousand young people in Tokyo Prefecture based on an area sampling.

First, the percentage of regular employees at the time of graduation and that of the survey were compared (Figure 10, female data is abbreviated). Due to space limitations in this paper, only the data for males will be examined and analysis of female data will be discussed in a

Figure 10. Percentage of Regular Male Employees at Graduation and Present (across different genders, age, and academic backgrounds)



Source: JILPT(2006).

separate paper. Hereafter, all of the figures and tables in this section will be cited from JILPT 2006.

Figure 10 shows no remarkable change in the percentage of regular employees between graduation and the present. There are a higher percentage of college/university graduates becoming fully employed immediately after graduation, and this trend continues to the present. High school graduates, on the other hand, tend not to secure full-time employment after graduation, and this trend continued till the time of the survey. Situations immediately after the graduation still remain the same.

In order to examine in more detail, we added a question to gather data on whether those in non-regular employment became regular employees³. Thus transition types for males in their late 20s were developed (Figure 11)⁴. Data from the survey in 2001 is shown for comparison⁵.

In the high-school graduates group, there is little change in Only Regular Employment (no change job), which refers to those who became regular employees immediately following graduation, have not changed their jobs since then, and are still employed at the time of the survey.

A dramatic decline was observed in the following types: Only Regular Employment (change Job) directly after graduation and later accepted regular employment elsewhere to present; Non-Regular Employment to Regular Employment, or those who worked in other forms of employment after graduation but had transitioned to regular employment at the time of the survey. There was a substantial increase in Only Non-regular Employment, or those who from the point of graduation to the time of the survey were in non-regular employment, unemployed, jobless, self-employed, or working in a family business. In the college graduates group, the percentage of Only Regular Employment (no job change) dropped dramatically, while that of Only Non-regular Employment increased, though the expansion is not as remarkable as it was among the high-school graduates group.

Figure 10 and Table 2 demonstrate that transition patterns are determined at the time of graduation, and the ratio of movement between regular and non-regular employment is small. Not only did the percentage of those who were solely in non-regular employment increased, but also opportunities for high school graduates to become regular employees decreased, if they did not secure regular employment right after graduation.

Let us now examine forms of employment at the time of graduation to see if opportunities for becoming regular employees are limited by social stratification. We will use the parents' academic background and financial affluence as indicators for social stratification⁶.

³ Non-regular employment in this paper refers to non-fulltime employment (non-fulltime employees including civil servants).

⁴ Career types are determined based on whether respondents became regular employees (including civil servants) immediately after graduation, as well as their current form of employment. *Albeit*, part-time, contracted, and temporary employment are categorized as non-regular employment, and non-regular employment including self-employment and family business is defined as Other Forms of Employment. Non-regular Employment refers to those failing to secure regular employment at the time of graduation and currently doing a job categorized as non-regular employment. This includes those who temporarily worked as regular employees (56 respondents, 8%) at one time.

⁵ The 2001 survey was conducted on one thousand regular employees and one thousand *freeters*. The data was weighted back according to the *Census* and the *Employment Status Survey*. Therefore the percentage of regular employees may be higher than the actual number.

⁶ There is some research regarding *freeter* percentages and those abandoning the *freeter* system. Taroumaru(2006) recently conducted a study on young people in the *Kansai* region. The study points to an influence by social stratification on the *freeter* ratio or remaining a *freeter* when the father's job is factored as a stratification indicator.

Table 2. Types of Transitions of 25-29 Years Old Male

	High School Graduates		College / University Graduates	
	2001	2006	2001	2006
Only Regular Employment (no change job)	21	21.6	61	↓ 47.6
Only Regular Employment (change job)	17	↓ 11.5	12	10.1
Regular to Non-regular Employment	3	8.9	2	4.8
Regular and Non-Regular Employment	13	9.5	6	3.7
Only Non-regular Employment	9	↑ 14.9	7	↑ 13.2
Non-Regular Employment to Regular Employment	24	↓ 16.9	8	11.6
Self-employment/Family Business	11	12.8	3	6.3
Unemployed/NEET	1	3.4	0	2.6
Others	1	0.7	1	0.0
Total	100	100.0	100	100.0
N	—	179	—	339

Source: JILPT(2006).

Note: The 2001 data is weighted back; actual numbers and fractional data are not presented.

In a survey conducted in 2001, there was a weak relationship between the respondents' form of employment and each family's financial affluence, though this was not confirmed in the overall data. In the younger group (18-19 years old) with a lower academic background, there was a relationship between the respondents' form of employment and the parents' academic background, the father's job, and the family's financial affluence. This means that young people with a lower academic background were affected more decidedly by social stratification (Mimizuka 2001).

In a survey conducted in 2006, influence of social stratification was not observed (Kosugi 2006), but there was a weak relationship between the respondents' form of employment and the family's financial affluence. In the younger population, however, the higher the parents' academic background, the lower the percentage of regular employees became, showing no negative influence from social stratification⁷. This indicates that the academic background of the respondents themselves has a clear influence on their form of employment.

Based on a survey conducted by the Cabinet Office in 2005, Iwaki (2006) stated that labor markets for regular and non-regular employees are well separated with a very narrow path running between them. The author also discussed that those who will remain in a stable career (i.e. have only worked as regular employees, including at the time of the survey) are already selected before they enter the labor market, indicating that being in a stable career is more readily influenced by factors related to the worker's academic background than factors of social stratification.

If we are to add our findings to this, this trend of "selection" intensified during 2001 to 2006, and workers' academic background became more influential than social stratification. This does not mean that only academic background influences transition. Social stratification is translated into the workers' academic background, determining their forms of employment (Kosugi 2006). In other words, the parents' finances are becoming an effective resource for transition only when it is transformed as the workers' academic background.

Let us look at *freeters*, who account for the majority of non-regular employment⁸. The

⁷ The father's job is not examined since it was not included as a survey item.

⁸ Non-regular employees other than *freeters*, such as contracted and temporary workers, should be discussed separately.

percentage of those with experience as a *freeter* (those who have worked as a part-time or *albeit* worker excluding the period in which they were a student) was approximately 35% in 2001 and increased to 50% in 2006, particularly in the group with a high school diploma or less (related charts are not shown here).

Let us examine the relationship between experience as a *freeter* and social stratification (Table 3). In those with a high school education diploma or less, the experience of being a *freeter* is high when the father's academic background is low.

Among those possessing a certificate, diploma, or academic degree of higher education, when the father's academic background is high, the *freeter* percentage is higher. In the former group, when the mothers have a certificate, diploma, or academic degree of higher education, the *freeter* ratio is high. In the latter group, when the mothers have a high school diploma or less, the ratio is also high. On the other hand, regardless of the respondents' academic background, if their family is not wealthy, the *freeter* ratio becomes high, indicating a relationship to social stratification. Either way, it is clear that the workers' academic background has a significant effect.

The percentage of trying to become a regular employee from *Freeters* (hereafter called quitting *freeters*) (Table 4) decreased in 2006 regardless of age group⁹. As for the respondents' academic background, the percentage of quitting *freeters* was high among those with high school diplomas or lower in the 2001 survey, while in the 2006 survey, the percentage was high among those with certificates, diplomas, or academic degrees of higher education in the early 20s group, and also among those with high school diplomas or lower in the late 20s group. This indicates that there is no consistent trend for academic background.

Next, the percentage of those successfully securing regular employment was examined.

Table 3. Experience of Being a *Freeter* (Male)

Academic Background of the Respondents	Social Stratification Variable	Percentage of <i>Freeters</i>	N
High School Diploma or Lower	Father's Academic Background: High School Diploma or Lower	59.2	265
	Father's Academic Background: Certificate, diploma, or academic degree of higher education	67.6	136
Certificate, diploma, or academic degree of higher education	Father's Academic Background: High School Diploma or Lower	37.6	197
	Father's Academic Background: Certificate, diploma, or academic degree of higher education	33.8	314
High School Diploma or Lower	Mother's Academic Background: High School Diploma or Lower	60.0	285
	Mother's Academic Background: Certificate, diploma, or academic degree of higher education	66.9	124
Certificate, diploma, or academic degree of higher education	Mother's Academic Background: High School Diploma or Lower	38.8	255
	Mother's Academic Background: Certificate, diploma, or academic degree of higher education	31.1	254
High School Diploma or Lower	Wealthy	64.8	169
	Not Wealthy	61.5	227
Certificate, diploma, or academic degree of higher education	Wealthy	49.0	293
	Not Wealthy	30.0	196

Source: JILPT (2006).

Note: Data for "Not applicable/Unknown" is not shown.

⁹ The comments of the respondents show that many wish to become regular employees, in many cases, at the company in which they are employed as *albeit* workers. Such desires, which are not put into action, have been discussed in various studies, but these workers tend not to take any action. Refer to JILPT (2006).

Though the sample was small, there were no differences resulting from varying academic backgrounds among those in their early 20s. Among those in their late 20s, those with a high school diploma or lower displayed a higher percentage of success in securing regular employment than those with a certificate, diploma, or academic degree of higher education.

Table 4. Percentage of Males That Have Sought Regular Employment

		2001	2006	N
20-24 Years Old	High School Diploma or Lower	70	43.4	122
	Certificate, diploma, or academic degree of higher education	65	49.4	85
	Total	68	45.9	207
25-29 Years Old	High School Diploma or Lower	88	70.7	92
	Certificate, diploma, or academic degree of higher education	83	65.3	121
	Total	85	67.3	213

Source: JILPT (2006).

Note: The 2001 data is weighted back; N and fractional data are not presented.

Table 5. Percentage of Males Successfully Finding Regular Employment

		2001	2006	N
20-24 Years Old	High School Diploma or Lower	79	50.9	53
	Certificate, diploma, or academic degree of higher education	59	50.0	42
	Total	71	50.5	95
25-29 Years Old	High School Diploma or Lower	74	72.3	65
	Certificate, diploma, or academic degree of higher education	79	65.8	79
	Total	76	68.8	144

Source: JILPT(2006).

Note: The 2001 data is weighted back; N and fractional data are not presented.

In short, becoming a *freeter* largely depends on one's academic background; however, once one has become a *freeter*, the effects resulting from low academic background no longer impact on securing regular employment¹⁰. This is probably due to a unique characteristic of the Japanese labor market in which the path to stable employment is limited to the time of graduation¹¹.

¹⁰ This can be confirmed by logistic regression analysis as well, though charts are abbreviated.

¹¹ Takeuchi (1991) pointed out that academic background has an effect only in initial selection through analysis of promotion within an organization. Hamanaka and Kariya (2000) state that academic background affects not only initial employment but also job changing.

4. Current Support Systems and Related Issues

Because Japanese society ensured smooth transitions from school to work for its youth, support for these transitions was once limited to the time of graduation. Currently, however, transition issues have called for social attention, and a plan for youth independence and challenge was temporarily established in 2004. The plan includes three main approaches: the Job Café, the Japanese Dual System, and the *Wakamono Jiritsu Juku* (school of youth independence).

Job Café is a one-stop service center which provides employment related services to young people in order to help foster skills fulfilling local needs and to promote job-seekers' employment. There are forty-three Job Cafés in Japan. However, young people with a higher level of education tend to use Job Café (JILPT 2005). This is caused by disparities in understanding how to access information and services (Iwata 2006), and by the fact that public support, in particular, is often exclusively focused on those with a higher education. Thus, academic background affects not only the opportunity to become a regular employee, but also accessibility to support systems.

The Japanese Dual System is an education training program modeled from a German program. It promotes learning while working; learning technical knowledge at school while doing OJT in corporations. The number of participants in 2004 was approximately 30 thousand people. The future plan and goal is to spread and establish a practical training system as a third option to employment or school. While about half of the participants achieve stable employment, it is difficult to obtain corporate assistance, and the cost to the participants is roughly a few hundred thousand yen.

Wakamono Jiritsu Juku is a three month camp where the participants experience various aspects of life and labor. They are located in 20 different locations in Japan and about 20 participants can join at one time. Current issues for this program include cost (about 300 thousand yen), lack of young participants, and the camps' short cycle.

On the other hand, student support taking the forms of career education or work experience have grown more common, but the effects are still unknown.

In short, though there are more support systems for young people facing unstable situations like employment as a *freeter*, the number of such systems is still small and the cost is high.

5. Conclusion

The diversification in transitions, beginning in the latter half of the 1990s and continuing till today, is mainly observed among those lacking education beyond a high school diploma. While more than 70% of young people in Japan have a high school education, the buildup of problems for this group continues.

Young people's transition from school to work used to be smooth, since high school placement service, providing both counseling and job placement from an abundance of job offers, made such transitions for the students successful. This type of career guidance, however, could no longer function effectively after the recession in the late 1990s. Therefore, high school graduates not pursuing higher education or securing employment enter the job market in an unstable state.

This group will remain in unstable state since full-time stable employment is available only immediately after graduation in Japan. Due to the dramatic differences between full-time and part-time employment, unstable part-time employment makes it difficult for workers to be independent or to have a family, with limited opportunities for career-related skill and career development.

Until recently, the smooth transition from school to work made the transition from

adolescence to adulthood easy as well. Since transitions are now more difficult, this might affect not only the young, but also the entire Japanese society.

We cannot yet say that everyone believes in the necessity of supporting young people's transitions in Japan. Support has only just begun, not only at a policy level, but also at the research level. Yet, it is imperative that we continue to provide such support and conduct more research to provide empirical data.

References

- Buraku Liberation and Human Rights Research Institute. *The Excluded Youth*. Buraku Liberation Publishing House Co.,Ltd., 2005.
- Hamanaka, Yoshitaka, and Kariya, Takehiko. "Linkage of Education and Career," H. Kondo (edit.), *Stratification System in Japan 3.*, University of Tokyo Press., 2000.
- Hisamoto, Norio. *Renaissance of Regular Employees*, Chuo Koron Shinsha, 2003.
- Hori, Yukie (edit.). in press. *Young People Staying As Freeters*, Keiso Shobo.
- Inui, Akio, and Research Study Group for Transitions of High School Graduates of the Tokyo Metropolitan University. *Choice of the 18 Year Olds.*, Aoki Shoten, Co., 2006.
- Iwaki, Hideo, and Mimizuka, Hiroaki. *Modern Esprit: High School Students*, Shibundo, 1981.
- Iwaki, Hideo. "Discussion on Paradigms of Education Training Policy and Employment/Social Security Policy for Non-regular Employment," *Quarterly Issue: Shakai Hoshō Kenkyū*. Vol.42., No.2., 2006.
- Iwata, Masami. "Is the Bus Locked?," *Shiso*, Iwanami Shoten, 2005.
- The Japan Institute of Labour. "Employment Behavior and Awareness of Youth in Metropolitan Area," *Research Reports*. No.146., 2001.
- The JILPT. "Realities and Challenges of Youth Employment Support," *JILPT Research Report*. No.35., 2005.
- The JILPT. "Employment Behavior and Transitions of Youth in Metropolitan Area," *JILPT Research Report*. No.72., 2006.
- Kosugi, Reiko. "The Transition from School to Work in Recent Japan : The Experiences of Free-ters," *The Journal of Educational Sociology*. No.70, 2002.
- Kosugi, Reiko. "Changes in Transitions from School to Work," *Employment Behavior and Transitions of Youth in Metropolitan Areas, JILPT Research Reports*. No.72, 2006.
- Kosugi, Reiko. *Freeters and NEETs*, Keiso Shobo, 2004.
- Kosugi, Reiko, and Hori, Yukie. *Career Education and Employment Support*, Keiso Shobo, 2006.
- Kukimoto, Shingo. "Social Network and Employment/Awareness," *Employment Behavior and Transitions of Youth in Metropolitan Areas, JILPT Research Reports*.The JILPT. No.72., 2006.
- Kumazawa, Makoto. *When Young People Work*. Minerva Publishing Co.,Ltd., 2005.
- Mimizuka, Hiroaki. (edit.). "An Educational Sociological Study of the High School Educated NEET," *Research Reports Subsidized by the Ministry of Education, Culture, Sports, Science and Technology*, 2000.
- The Ministry of Health, Labour and Welfare. *Annual Report on the Labour Economy*, 2006.
- Nishimura, Yukimitsu. "Non-Regular Employment of Youth and the Related Disparities," *Quarterly Issue: Shakai Hoshō Kenkyū*. Vol.42., No.2., 2006.
- Takeuchi, Yo. *Meritocracy in Japan*, University of Tokyo Press, 2001.
- Tanaka, Hirohide. "Characteristics of Japanese Style Employment," in Iwaki, Hideo., and Mimizuka, Hiroaki. *Modern Esprit: High School Students*, Shibundo. 1981.
- Taroumaru, Hiroshi. *Sociology of Freeters and NEETs*, Sekaishissha Co.,Ltd., 2006.
- Tsutsui, Miki. *Inconsistent Structure and Perception on Changes in the Labor Market for the High School Graduates and High School Career Guidance/Career Counseling*, Toyokan Publishing Co.,Ltd., 2006.

Recent Trends in Education and Labour Market Policy for School-to-Work Transition of Secondary Education School Leavers in France

Nathalie Moncel

Centre d'Etudes et de Recherche sur les Qualifications (Céreq)

1. Introduction

School-to-work transition is a long lasting issue in France and has been a recurrent topic in social and political debates over the last 30 years. More recently, various social events such as riots in suburban areas in November 2005 and students protests against the introduction of a new employment contract in April-May 2006 have put on the fore distinctive problems the young generation has to face nowadays in France. Roughly speaking, a part of the young population, the least qualified one living in deprived areas, suffer from a lack of perspectives, facing severe exclusion from employment and missing decent living standards and career prospects. Another part of the young population, going through long-term higher education, face precarious employment and low wage jobs when they enter the labour market.

Both groups actually experiment crucial changes in labour market functioning that entails prolonging transitions from school to work and access to stable jobs. Paradoxically, the French society needs to integrate young people into the employment system in order to counterbalance the demographic effect related to the retirement of the “baby-boom” generation that is not supposed to have a mechanical impact on the unemployment level. Over the last three decades of profound restructuring of the productive system, changes in employment structure have involved a shift from industrial to tertiary activities and an overall skill upgrading without a drastic decrease in the employment volume. In this context, the arrival of highly trained new generations should participate in the emergence of the knowledge-based society claimed by European councils as being the goal of economic growth and political reforms in Europe. However, young people entry on the labour market also participates in the renewal of employment forms and work organisation towards a more flexible employment system.

Major changes in the French educational and vocational training system over the last decade, are outlined in the next section (Section 2) of the paper focusing on secondary education. These include: a prolongation of education time and an increase in levels of certification; an extension of vocational training in terms of the diversity of curricula and the extension of the higher education sector. These trends have been stabilised in the late 1990s, and the issue is to assess to what extent they have changed the French education regime.

Section 3 of the paper provides insights on conditions of entry into the French labour market for secondary education school leavers. This section uses different indicators to emphasize the specificity of young school-leavers when they become part of the labour force: features include the selectivity of access to jobs, vulnerability to unemployment, and polarisation in flexible employment forms and specific activities. Using longitudinal observations on the trajectories of school leaver cohorts, some regular patterns of school-to-work transition have been found; however trajectories of school leavers are all but homogeneous; qualifications and gender as well as characteristics of the first steps within

employment systems are major factors of differentiation across these trajectories.

Section 4 of the paper examines how labour market policies have been playing a major role in transitional arrangements since the mid-70s in France. From a comparative view point, the defining feature of the French transition system is the scale of public intervention leading to a variety of schemes targeted towards young people (Ryan, 2001). Successive adjustments of older schemes and the creation of new ones, often made when governments change, have generated a myriad of possible trajectories for school leavers with low qualification levels. Although numerous, these schemes have not been so far associated with evaluation procedures, the overall effects on the youth labour market are unclear and micro-level evaluations reveal great diversity in outcomes for young people going through labour market programmes. However, transition schemes have come to concern a large part of youth labour force. As a consequence, there has been a progressive construction of a structured and institutionalised space between school and work through the implementation of devices and local institutions that both orientate young people towards employment and act as social resources providers.

2. Evolution in the French Educational System: “Massification”, Diversification and the Rise in Educational Levels

2.1. Organisation of the French Secondary Education

From the 1960s until the mid-1990s, the French educational system experienced major growth as a result of the extension of the length of the schooling period, a massive influx into secondary education and then into higher education. Nowadays, nearly all the individuals of a school age group reach the first stage in secondary education, twenty years before it was the case for two young people out of three. In comparison with other European countries, the French education system displays several specific features: the principle of the “single college” for lower secondary school without differentiated tracks since 1975; a single teaching body managed at the national level for lower and upper secondary school (college and lycées); an identical syllabus and very similar teaching methods for vocational and general training paths; the norm of full time education¹. The dual mission and also the difficulty of this unified compulsory education model is to offer a high standard of education to everyone, whilst at the same time integrating the diversity of individual situations for 5.5 millions of pupils in secondary education (Figure 1).

General structure of secondary education in France

- Lower Secondary School :

The collège admits all pupils having finished primary schools and at 12 years old at the latest. Schooling lasts four years and corresponds to the classes of 6e, 5e, 4e and 3e. The lower secondary school education programmes are standard throughout France; specific sections in 4e and 3e welcome 15% of disadvantaged young people, the remaining part going through general 4e and 3e class.

The vocational guidance cycle in the class of 3e (pupils 15 years and more) is organised through a consultation

¹ The expected number of years schooling for a 5 year-old child in 2000 was 16.5 years full-time and 0 year part-time in France; 14.6 years fulltime and 4.3 years part-time in the UK (OECD, 2000). Although the share of pupils occupying jobs while studying is growing and concerns nowadays more than 10% of young people into secondary education, the combination of training and employment out of apprenticeship programmes is concentrated on higher education students (Céreq, 2005).

between pupils' family, school administration and the teaching staff; the result in terms of chosen orientation is decisive both for the upper school career and professional future.

- Upper Secondary School :

Two broad paths are open depending on the intended qualification resulting from guidance:

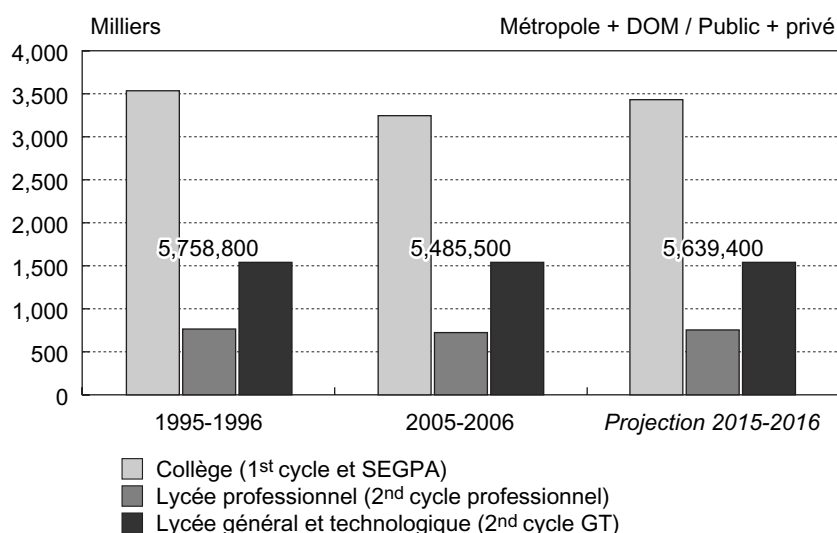
- **General and technological lycées** prepare pupils in three years (classes of “seconde”, “première” and “terminale”) to sit a general baccalaureate, a technological baccalaureate or a “brevet de technicien” (vocational training certificate) that gives access to higher education studies.
- **Secondary vocational training (vocational lycée)** combines general education with a high level of specialised technical knowledge. Secondary vocational qualifications are:
 - The “Certificat d’Aptitude Professionnelle” (**CAP or vocational aptitude certificate**) and the “Brevet d’Etudes Professionnelles” (**BEP or diploma of vocational studies**) are both taken in two years .
 - The “Baccalauréat Professionnel” (**BP or a vocational baccalaureate**) for pupils having passed BEP and wishing to pursue education at school, is taken in two years and gives access to higher education studies.

Vocational diplomas can be prepared for in academic programmes organised in Lycées and through apprenticeship programmes organised into CFAs (Centres de Formation des Apprentis–Apprentice Training Centres) and local training centres under the pedagogical control of the education system. Schematically, apprenticeship programmes are oriented towards arts and crafts while academic vocational programmes have a more industrial orientation.

Pupils and Trainees in Education in 2005-2006	15,020,000
Primary Schools	6,626,000
Collèges	3,250,000
General and Technical Lycées	1,745,000
Vocational Lycées	724,000
Trainees in Apprenticeship	400,000
Higher Education	2,275,000

Source : Ministry of Education (<http://www.education.gouv.fr>)

Figure 1. Evolution of the Number of Pupils in Secondary Education



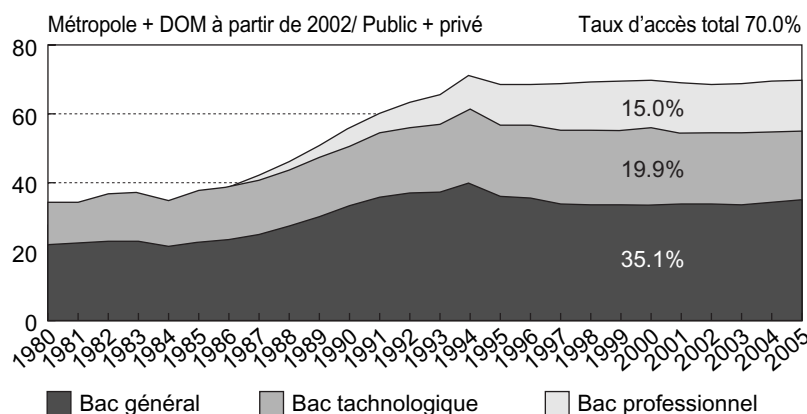
Source : Ministry of Education, <http://www.education.gouv.fr/cid4111/le-second-degre.html>

The first growth phase in education occurred during the mid-60s and the second phase in the mid-80s. Both are related to political decisions to establish education as a national priority and to promote equal opportunity of access, to support growing demands for education from individuals, families, professional organisations and enterprises (Béduvé and Germe, 2003). The July 1989 Guideline Act (*Loi d'Orientation de Juillet 1989*) establishes two major objectives : to provide young people with a minimum training level, and to advance 80% of pupils to baccalaureate level². Several major reforms in the educational system were taken place since 1985 to increase the supply of education and training, to diversify training paths and credentials, especially vocational ones; and to develop an expanded higher education system.

Since the mid-1980s, three school segments in secondary education—general, technological and vocational—have grown in parallel and all lead or can lead to the *baccalaureate*. Actually, the rise in the number of pupils accessing the level of *baccalaureate*, accounting for 70% of a school age group since the mid-70s, is mainly due to the development of the vocational segment (Figure 2). The *baccalaureate* has, therefore, become more diversified: it is no longer just an academic qualification covering traditional secondary education but includes a group of diploma covering various segments of the second stage of secondary education.

The hierarchies between educational segments and within these segments, between series or specialisations, are however, highly differentiated reflecting several levels of prestige. The general academic segment is still considered as the most prestigious and the main way in which to gain access to university degrees. The vocational school segment is frequently taken as a second-best option. It offers alternation between periods of school study and periods of on-the-job training at a company. The strong movement towards “vocationalisation” of basic education at secondary school level has also reached higher education in the form of vocational degrees (for instance “*licence professionnelle*” or master degrees delivered by universities and including on-the-job training).

Figure 2. Access to Baccalaureate Level of Education, 1980-2005



Source : Ministry of Education, <http://www.education.gouv.fr/cid4111/le-second-degre.html>

² *Baccalaureate* is used for the French term “baccalauréat” that define the second stage of secondary school certification.

The school form of vocational training through apprenticeship was introduced in 1945 and has been through cyclical evolution, with a steady decline from the mid-60s till the beginning of the 1990s. Whereas it used to just relate to the second stage certification in secondary school (CAP-BEP), its usage started to diversify in the 1990s, especially under the 1993 Employment Act³. All forms of technical and vocational education can now, in principle, be studied for under an apprenticeship which can also be used to obtain a university diploma, engineering qualifications and equivalent qualifications. All in all, 20% of 2001 school leavers went through apprentice programmes, 47% for school leavers with first level vocational qualification and 24% for school leavers with technical or vocational baccalaureate. Two-third of apprenticeship training are in industrial series, one-third in services field. Apprenticeship programmes in the French transition system have the dual mission of training, the training part being integrated into the education system, and integration into work, thus the apprenticeship contract is also considered as a device of labour market policies to improve young people employment rate (see Section 4 in this paper).

2.2. Figures and Trends in Educational Qualifications

After decades of continuing progress therefore, the trend of increasing education appears to have stopped: the increase in pupils and student population has declined firstly, because of a demographic decline in the school age population, however qualitative shifts are operating as well. Nowadays, almost all the school age generation complete secondary school, the average age of leaving education is 21, but the proportion of pupils going on to take the baccalaureate has remained stable since 1995. Access by a school age generation to the level of *baccalaureate* or equivalent doubled between 1980 and 1994; in recent years it remains at around 70%.

However, the structure of qualifications for school leavers cohorts displays some significant changes since the middle of the last decade (Figure 3). Since 1994 onwards, nearly one quarter of pupils leaves school with *baccalaureate* qualification and one fifth of pupils leaves school with the BEP-CAP qualification (second stage vocational qualifications). The share of higher education qualifications increased from 30% in 1990 to 36% in 1994, it remained stable till 2000 and then improved up to 42% of a school generation in 2004. Actually, despite the rise in access to the *baccalaureate* level which is the compulsory credential to enter tertiary education, a growing proportion of pupils passing the vocational *baccalaureate* do not intend to or find it difficult to pursue higher education. The drop out rate from tertiary education is quite high: 25% of students leaving higher education in 2001 do not succeed in passing a higher degree⁴.

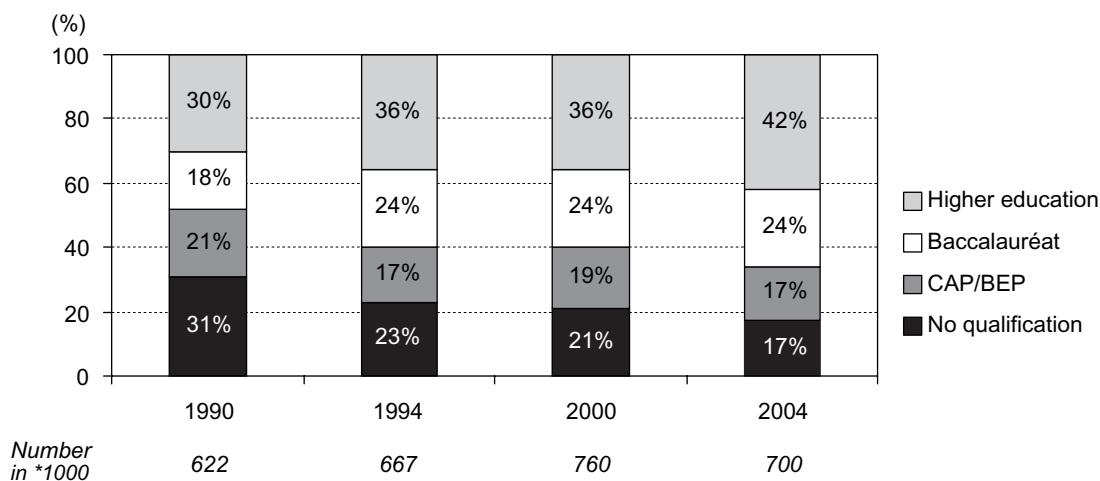
At the opposite side of the spectrum, the category of school leavers with no qualification declined from 30% in 1990 to 17% of the school leavers cohort in 2004. This category includes two distinctive groups: 8.5% are early school leavers (dropouts prior to completing secondary school) and 8.5% are pupils who completed secondary education without obtaining a qualification. The first group concerns young people who are said not to have the minimum training level defined by the 1989 guideline Act, it represents a stable proportion of 8 to 9% of school leavers over the last decade. Thus, despite considerable progress in recent decades, the French education system has not eliminated the hard core of school failures which often occur as early as primary school.

A plan to boost priority education and further reduce the school dropout rate was presented on February 2006 with measures targeted to the most disadvantaged pupils and

³ More recently, the French government reaffirms the target of 500,000 trainees in apprenticeship in 2009. Registered apprenticeship contracts were up to 360,000 in December 2004, see Section 4.

⁴ In 2001, one out of ten school leavers is out of higher education without a higher qualification (Céreq, 2005).

Figure 3. Qualifications of School Leavers Cohorts France, 1990-2004



Source: French Ministry of Education, DEPP.

establishments, including professional discovery programmes and specific schemes to assist pupils who are at risk not mastering basic skills. Newly introduced and highly debated, the definition of a “common knowledge base” presenting a list of specific and transversal skills for lower secondary education was adopted to enable the education system and pupils to set targets and be assessed.

3. Conditions of Entry into the Labour Market for Young People

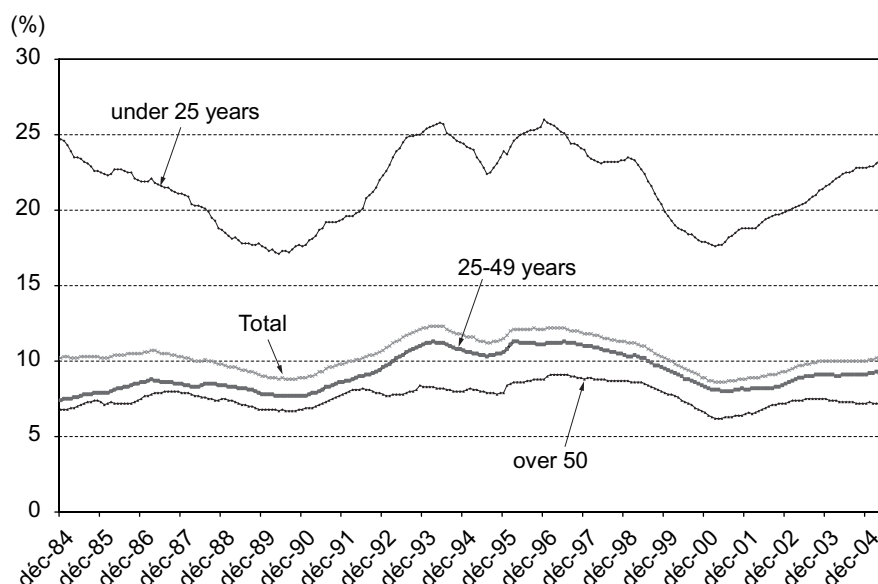
The French employment model is sometimes presented as a division of employment amongst generations following a pattern of “one single generation works at a time” (Elbaum and Marchand, 1994). Maintaining employment for the 25-50 age group was considered till recently to be the priority and managing imbalances was carried over by public intervention for the extreme age groups, young and old workers, two groups progressively excluded from the labour market over the last three decades. Because of financial difficulties over pension funding, there is presently an incentive to increase activity rate amongst people over 50s with the aim to reach targets established at the European level in the frame of the European Employment Strategy. For young people are new entrants on the labour market, the youth labour force is particularly sensitive to changes in the labour demand and to transformations in the structure of employment systems.

3.1. Selectivity and Vulnerability to Changes in Labour Demand

For over twenty years, the rate of youth unemployment has been twice as high as for adults (Figure 4). In January 2005 the unemployment rate was 22% for the working age population under 25 and 10% for the whole of the working age population (INSEE, 2005). However, youth unemployment has its specific features that distinguish it from adult unemployment. Youth unemployment is generally rotation unemployment, there are high turnover rates in the youth labour market and although youth have higher rates of unemployment they are more likely to find a job. The probability of youth leaving unemployment and then becoming employed are higher than for adults (Couppié and Mansuy, 2004).

The rate of unemployment is completely segmented by the level of education of young people, and those with low levels of qualification accumulate disadvantages in the labour

Figure 4. Unemployment Rate by Age Group, 1985-2005



Source : INSEE.

market. As early as the 1970s, young people leaving school without qualifications were the first to be affected by the rise in unemployment. Young graduates who saw their advantageous labour market prospects deteriorate between 1993 and 1997 were the first to benefit from the effects of the economic upturn and the improvement of the insertion conditions from 1998. Over the last decade, the unemployment rate for unqualified young people has always remained three to four times higher than for young people with a degree above the *baccalaureate* level.

However, this cyclical sensitivity of youth employment is also related to the nature of the jobs now offered to youth, especially temporary contracts, unskilled jobs and posts in sectors characterised by high levels of staff turnover. The last youth cohort surveyed by the Céreq in 2004 has three years experience in the labour market. They were confronted with an economic downturn that pushed up unemployment rates for youth close to the rates that existed when this cohort entered the labour market in 2001. This downturn affected primarily young male workers on temporary jobs in secondary industry. A reflection of this was that in this survey there was no longer a gap between male and female unemployment rates (Marchal, Molinari-Perrier, and Sigot, 2004).

A high level of qualifications also means reduced vulnerability to economic fluctuations since the most skilled jobs are less sensitive to these fluctuations and the most qualified people have better positions in the job queue (Fondeur and Minni, 2004). During periods of job shortage and high unemployment, reduction in job opportunities entails changes in the job queue with selectivity of recruitment leading to a chain deterioration in employment access levels and a downgrading for skilled jobseekers into less skilled jobs and a consequential eviction effect for the less skilled jobseekers. Thus, the level of downgrading in first jobs is quite high for new entrants in the labour market: three years after leaving school, 40% of young people hold a job corresponding to a skill level lower than their school qualification (Couppié, Giret, and Lopez, 2005).

3.2. Specific Entry Places in the Employment System

In comparison with the active population as a whole, youth employment has been traditionally concentrated in activities with high turn-over and low skilled jobs. Typically,

young people find their first job in retail activities, in a small or medium size enterprise, and as a service employee or manual worker. The situation is very different for those graduating from higher education where three out of four are recruited in business services as executives or in an intermediate profession.

Typically, youth wages at the beginning of a career are closely correlated with levels of basic education and rise according to the occupational positions obtained, differences in wages between qualification levels widening with age and seniority. In addition, young women with the same standard of education systematically earn less than young men, the higher the level of qualification, the higher the gender wage gap on the first job (Céreq, 2005).

The main characteristic of youth employment and the most important change in school-to-work transition is the high proportion of precarious jobs: three-quarters of young people educated with a *baccalaureate* level or a lower level enter their first job with a fixed term or temporary contract, this is also the case for more than half of young people with university degrees, whereas around 10% of total employment is covered by this type of employment contract. Employment on fixed term contract is the norm for new entrants on the labour market and it remains at a high level three years after entering the labour market: more than half of young people with no qualification in employment at this time are on precarious job, the proportion is as high as one third for school leavers with secondary qualifications, and one quarter for the working cohort as a whole. Seven years after leaving school, the access to stable jobs is dominant, even for low qualified young people as less than 20% out of them are employed on temporary jobs. It seems that experience on the labour market pays off in term of access to internal labour markets with stable jobs.

Another specificity of youth employment relates to the high level of part-time work, 30% of women and 8% of men being out of the secondary school education for less than 4 years and in employment, work on part-time jobs. In two cases out of three, part-time work is not a choice. Hence, the rate of “under-employment”, calculated as the share of people in part-time job wanting full-time job, culminates at the level of 10% for the young working population being out of the secondary school education for less than 4 years; and it is as high as 20% for women within this group.

3.3. Diversity of School-to-Work Transition Patterns for Secondary School Leavers

This section focuses on trajectories of secondary education school leavers using data from the Céreq surveys on Generation 1998⁵.

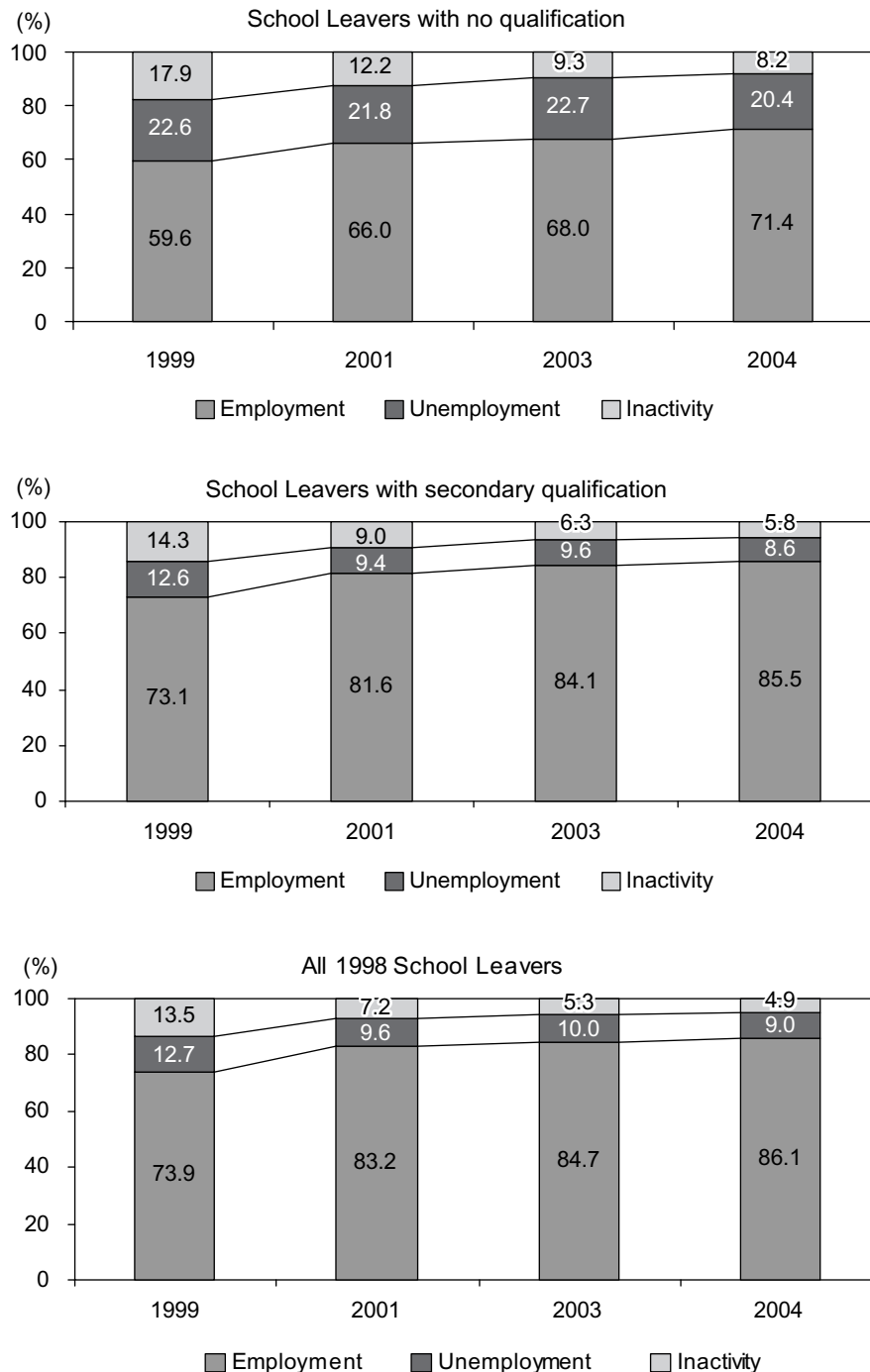
Diversity in school-to-work patterns is a prevalent characteristic of youth transitions in France and is demonstrated for through several indicators. A first dimension concerns the evolution of the distribution amongst situations (employment, unemployment, inactivity) that informs about the individuals’ position towards and on the labour market. Thus it appears that the participation rate in employment is as high as 70% for young people with no qualification, that is to say 15 points lower than the rate for the secondary education school leavers cohort as a whole (Figure 5). Conversely, unemployment concerns 20% of school leavers with no qualification seven years after they left school, this level being more than twice than the unemployment level for the whole cohort.

A second dimension focuses on mobility between employment and unemployment and the progressive access to durable participation in employment, i.e. being in employment during 12 months over a year. These two indicators clearly separate school leavers with no

⁵ *Génération 98* is a survey that was carried out by Céreq amongst a representative sample of 55,000 young people who left the educational system in 1998 and who were questioned in 2001, 2003 and 2005. Main results out of this survey are available in Céreq (2002, 2006), some of them are downloadable on the website : <http://www.cereq.fr>.

qualification from those with secondary education qualification (Figure 6). This latter group presents a profile very similar to the cohort as a whole, whereas young people with no qualification do not achieve durable employment and transition rate remains quite high after seven years on the labour market: in 2004, mobility from employment to unemployment concerns 20% of the school leavers with no qualification and 10% of the cohort as a whole.

Figure 5. School-to-Work Transitions for the 1998 School Leavers Cohort



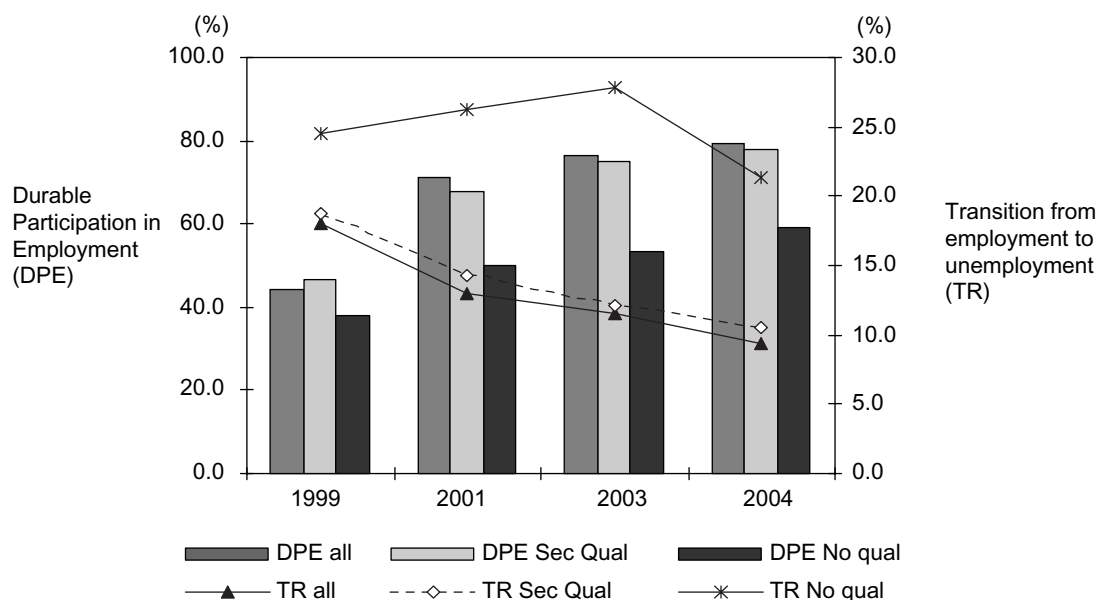
Source: Génération 98 Survey, Céreq.

Figures on employment status confirms the polarisation of young people with low qualification on precarious job involving high mobility: seven years after leaving school, one third of employment for young people with no qualification corresponds to fixed-term contracts, this level being two times higher than for the cohort as a whole.

Finally, situations on the labour market and employment status are used to typify trajectory patterns of school leavers (Cereq, 2006)⁶. Four main patterns of trajectory during the first seven years the labour market are characterised (Figure 7):

- **Direct access to open-ended contract** (53% of the cohort): this group of school leavers has got access to stable employment either directly after leaving school or after one or two years of having been employed on fixed-term contract. Less than half of them hasn't changed employers during the first seven years. Amongst secondary school leavers, this pattern accounts for 30% for those with general baccalaureate and up to the average rate for vocational or technical baccalaureate. Only one third of young people with no qualification follow this type of trajectory.
- **Late access to open-ended employment contract** (15% of the cohort): trajectories are marked by the first three years spent in temporary contracts, some breaks from employment and an average 6 months period spent in unemployment, before ending on a stable employment. This type of trajectory is more frequent for school leavers with vocational qualifications.
- **Precarious employment** (19% of the cohort): a pattern characterised by persistent employment under open-end contract with high turn-over or a break from stable employment followed by long-term unemployment and rotation between precarious jobs. One quarter of school leavers with no qualification enter this type of trajectory

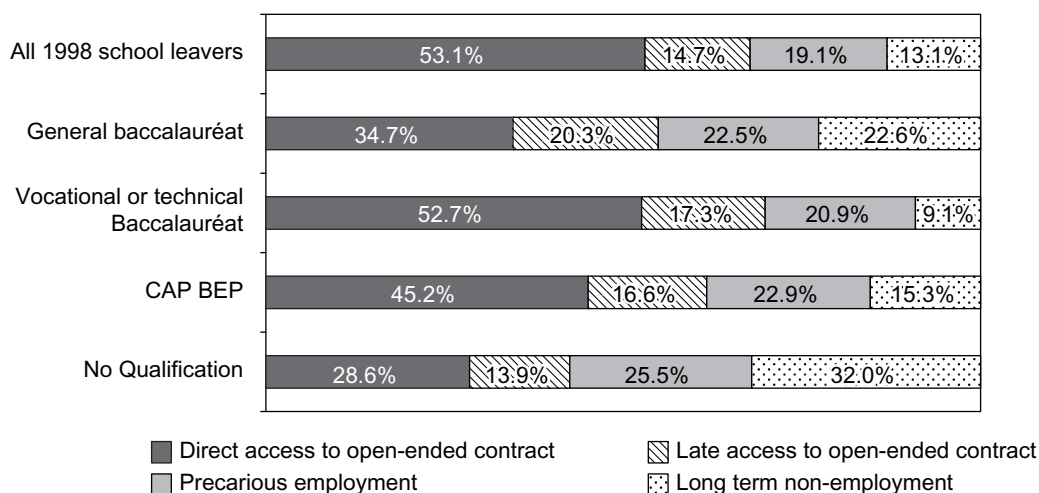
Figure 6. Transition and Participation in Employment for 1998 School Leavers



Source: Génération 98 Survey, Céreq.

⁶ Patterns correspond to the classes obtained out of hierarchical classifications that use calculation on monthly situations during the first seven years after leaving school. Individuals are grouped according to minimum distance between their situation for each month.

Figure 7. Types of Trajectories for 1998 Schools Leavers during Their First Seven Years on the Labour Market



Source: Génération 98 Survey, Céreq.

and one fifth of school leavers with secondary qualifications.

- **Long term non-employment** (13% of the cohort): this category includes two distinctive patterns of trajectory: a pattern with long-term inactivity spells (including very few returns to training) and late access to a first job for, and a pattern with recurrent spells of unemployment and short duration jobs on precarious contract. Nearly one third of school leavers with no qualification displays this type of trajectory, and one fifth of leavers with general baccalaureate.

Distribution across the four patterns of trajectory is correlated with educational levels and with fields of education: the figures for those who quickly find a long term job are higher for those leaving industrial training segments than for those leaving training in administrative and service specialities.

Gender and social origin also have an influence on the path that young people follow after leaving basic education. Women more often enter trajectories marked by unemployment or inactivity (17% of female school leavers and 9% of male school leavers); they are also more likely to enter a precarious employment trajectory (one out of fifth female school leaver). With regard to social origin, being from an executive family provides young people with a relative degree of protection from the more difficult transitional paths. Young people with a “migrant” origin are more frequently confronted with unemployment and inactivity than those from non migrant families.

Finally, geographical factors also have an influence on the patterns of school to work. Transition. Young people educated in the Paris area, Alsace or the Rhone-Alpes areas insert themselves more easily into the workforce than those living outside of these areas. A higher number of young people educated in Northern and Southern parts of France experience a transition route marked by unemployment or inactivity.

Transition patterns are thus highly diversified under the influence of individual and local variables. Others factors also play a role in the access to stable employment, including the type of the first employment contract and the size or activity of the company where young people get their first job (Lopez, 2004; Mansuy and Minni, 2004). Young people entering highly capitalistic activities, such as energy, shipping and air transport, banking and financial activities, are more likely to get a stable first job and stay in the same enterprise than young

people entering catering, retailing or traditional manufacturing activities (food, textile).

4. Development in Labour Market Policies and Integration Programmes

Youth transition from school-to-work has become a long and complex process, at least for the half part of a generation that does not access directly stable employment. Transitions result from the interplay between different actors: young people, their families, teachers, companies, local authorities and professional organisations. Successive governments have been major players through the development of labour market policies targeted towards young people. A short history of these policies reveals a constant swing between different logics of public intervention: “social treatment” as a remedy to youth unemployment; the development of training and skills and the implementation of specific employment status. Most frequently, labour market policies mix these different goals.

In the mid-1970s, when youth unemployment grew sharply, the very first programs were developed with the objective to improve matching between training and jobs. Between 1977 and 1981, three agreements concerning youth employment materialised; this period marked the beginning of large-scale public intervention strategies in the youth labour market. In the early-1980s, labour market policies were predominantly aimed at developing employment-cum-training contracts for young people. However, integration programmes were also developed at this time to act on guidance and various social dimensions of youth transition from school to work (housing, health, financial difficulties) through local structures that were established in addition to the public employment services (*Missions Locales*: local youth employment agencies ; *PAIO* : reception office for information and guidance).

The main innovative action of the last socialist government was to develop subsidised public jobs (“*Nouveaux Services - Emplois Jeunes*” : New services–Youth Employment) on a large scale in the late 1990s in order to counterbalance growing unemployment amongst qualified young people. The current government has experimented with several forms of subsidised employment and has renewed training-cum-employment contracts, but with no major changes to the logic of public intervention in the labour market, albeit a reinforced social control on youth unemployed people is currently implemented.

Finally looking at public policies over the last three decades, it appears that labour market programmes targeted to young people have been largely experimental as several schemes have been extended to the whole working population.

When presenting labour market programmes and considering the impact of policies on the youth transition from school-to-work, it is worth distinguishing between two forms of public intervention in the youth labour market: those schemes that are implemented through the employment contract; and those that do not involve creation of a specific employment contract and focus on guidance and advising actions.

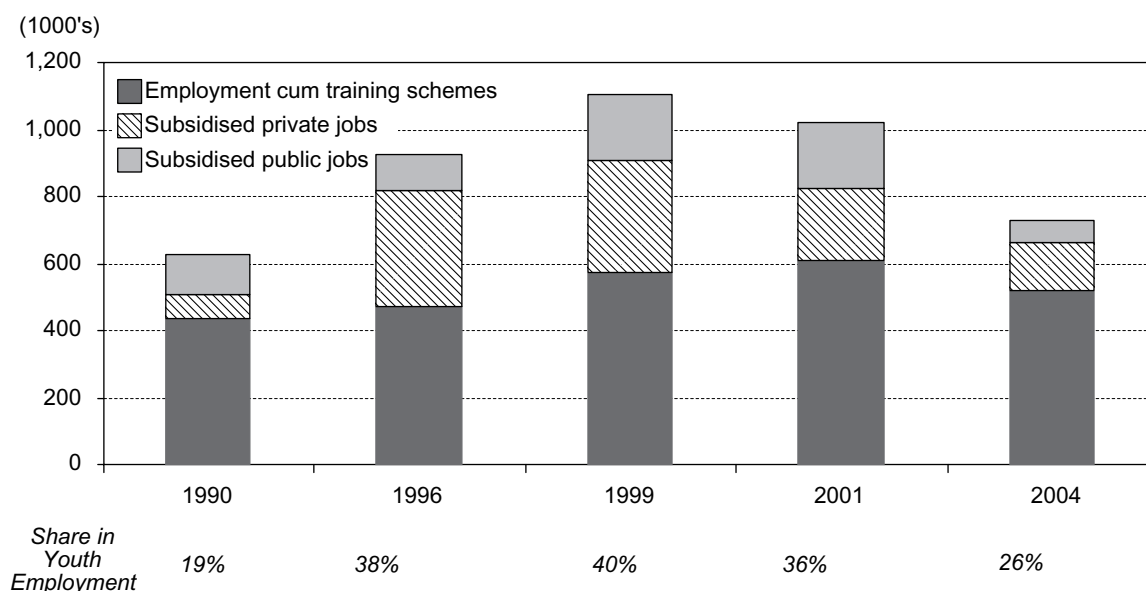
4.1. Labour Market Policy Schemes Creating Employment Forms Specific to Young People

Forms of employment introduced by labour market policies run specifically for young people, (the 16-25 age group), are typically employment contracts with specific rules in terms of wage determination, working time regulation and training provisions. They include labour cost reductions and/or subsidies for the employers. According to the *Génération 98* survey, 15% of the school leavers went through “subsidised employment” at least once during their first three years of working life⁷.

⁷ The level of participation in labour market schemes is clearly underestimated in the *Génération* survey as it results from interviews of individuals who sometimes do not declare, or are simply not aware of, being hired through a specific scheme, especially when this scheme does not involve a training time.

Three main categories of employment schemes account for one quarter of young people employment in 2004, those schemes represented up to 40% of youth employment by the late 90s (Figure 8).

Figure 8. 15-24 Years Old Employment in Labour Market Programmes



Source : DARES, Ministry of Employment, 2004.

- Employment contracts cum training

Accounting for 550,000 young people in 2004, employment cum training contracts represent the largest device of public intervention on the youth labour market. They correspond to employment contracts including training sessions and they aim to address the transition adjustment between training and employment. In some cases, and mainly for apprenticeship contracts, they are the best program for completing schooling, being available to all young persons. The main types of training cum employment contract and their uses are described in Box 1 below.

- Subsidised private jobs

This category relates to employment contracts providing for subsidies and exemptions from national insurance contributions. The subsidies are related to the nature of the job (part-time, first recruitment and other various job specifications in terms of activities, company size), or to individual characteristics of the worker (age group, level of training, duration of unemployment) without any compulsory training component. 130,000 young employees were involved in this type of scheme in 2004. The “Contrat Jeune Entreprise” (CJE - youth employment contract in business) is the main recent device and is described in Box 2 below.

- Subsidised public jobs

Public jobs have been cyclically developed to fight unemployment. The most frequent form targeted to young people was the programme “New services-youth employment” operating from 1997 to 2004 and covering more than 150,000 young people in employment in 2001. It was a private contract signed with public bodies for either a fixed term period of 5

years max or an open-ended period with in both case subsidies covering up to 80% of the labour cost limited to a five years period. Most of the young people who entered this type of contract were qualified school leavers with at least the baccalaureate level of qualification, the vast majority of these contracts concerned jobs in non-profit organisations and foundations, public administrations and territorial public agencies, schools and colleges.

Since the end of this programme in 2004, no new scheme specifically targeted to young people employment in the public sector was developed but recent reform enables public bodies to sign employment cum training contract (professionalisation contract).

Box 1 : Two main types of employment-cum-training contracts

The Apprenticeship contract

Apprenticeship contracts have doubled in 15 years; they continued to rise in a manner that is generally independent of the economy - whereas other alternating contracts promoted through labour market policies for young people followed the general labour market very closely. Apprenticeship contracts constitute the most numerous type of alternating training schemes (360,000 trainees in 2004), concerning more particularly secondary school leavers. As there is a growth in the number of pupils studying for the vocational *baccalaureate* and technical diplomas through apprenticeship schemes (33% of all apprentices in 2001), the level of basic education on entry into apprenticeship is also rising: nowadays 75% of the trainees have already reached a level equal to the first stage secondary school level when they enter apprenticeship (Arrighi and Brochier, 2005).

Formal training is provided by Apprentice Training Centres (*CFA : Centres de Formation des Apprentis*) that are partly included in the national education system and mostly managed at local level by trade boards. On-the-job training is supervised by a skilled worker with certified qualifications. One-third of trainees do not pass their exams, essentially in services sectors (retailing, catering, tourism industry). Depending on the field of training, 20% to 30% of apprenticeship contracts are broken before the term.

Apprenticeship contracts offer variable wages (from 25% of the minimum wage during the first year for trainees under 18, up to 78% of the minimum wage during the last year of the contract for above 21 year-old trainees), and provide employers for exemptions of national contributions, with national and regional subsidies, and a flat rate tax credit since January 2005.

Apprenticeship is concentrated in some areas of activity: manufacturing sectors with the highest degree of craftsmanship (22% of contracts in 2004 were signed in manufacturing, 20% in building, and 68% in services industries) even though the relative share of some traditional crafts sectors is slightly decreasing. Similarly, small enterprises still form the preferred area for apprenticeship: 65% of contracts are signed in companies with less than 10 employees. However, the rise in apprenticeship is greater in new sectors than in the traditional ones, and it supports upper level training in large or medium-sized enterprises in capital goods, intermediate goods and business services.

The *Contrat de Professionalisation*—professionalisation contract

Since October 2004, the professionalisation contract has progressively replaced the *Contrat de Qualification (CQ)*, and the *Contrat d'Adaptation (CA)* both introduced in the early 1980s, targeted to the 16-25 years old and then extended to over-26s with low level of training. The professionalisation contract can be an open-ended or a fix-term contract, the training period covers between 15% to 25% of the total time of the contract and can be organised either in a training centre or directly by the enterprise. The training is meant to result in a vocational certification (diploma in technological or vocational studies, or a qualification approved or recognised under a sector agreement). The contract provides tax exemptions for the employers and a wage for the trainee up to 55 to 85% of the minimum wage.

Young people entering this kind of employment cum training contract are usually more qualified than

those entering apprenticeship, they come more frequently from unemployment than from initial education and training. Less popular than the two previous contracts (155,000 *contrats de qualification* and *contrats d'adaptation* signed in 2004), 80,000 professionalisation contract were signed by young people in 2005, for shorter terms and including reduced training periods than the previous alternating contracts. Three quarters of the contracts are signed in services industries and 23% of the contracts are signed by small sized companies.

Box 2 : Subsidised private jobs for young people

The Contrat Jeune en Entreprise (CJE–youth-in-market sector) is the main device, with 115,000 young people engaged in 2004. It entitles employers to a further reduction in employer contributions compared with existing contracts. Half of young people hired in CJE had left school without any qualification, one-quarter were unemployed before being hired, and one in six had reached the end of a combined job/training contract. Data available to assess the CJE show that this contract is mainly used by small size businesses in traditional youth employment activities (catering, building, retailing). More than 70% of the CJE do not go to the end, the contract being interrupted after few months following resignation in three cases out of four.

There are other labour market policy schemes that reduce labour cost in the private sector but are not specifically targeted to young people. However, these scheme indirectly have an influence on youth employment as they provide progressive reduction in labour costs for wage levels up to 1.8 time the minimum wage, and as such they impact on youth employment since this is the waged segment where the majority of jobs dedicated to young people are concentrated. These subsidised private jobs are not included in data related to labour market policies as they are not age dependent, and hence there is an underestimation of the share of subsidised private employment for young people.

4.2. Labour Market Policies with No Creation of a Specific Employment Contract

The “decentralisation” or “territorialisation” of labour market and training policies has broadened and diversified the participants in the school-to-work transition process. One of the major changes over the past twenty years is the appearance of new participants within policy programs to address youth issues including local structures, regional councils, local authorities and local employment services. Organised within local networks, these new participants develop programs that are targeted to young people with severe difficulties in the labour market (see Box 3 below) and are managed by local social structures (*Missions Locales*: local youth employment agencies; *PAIO* : reception office for information and guidance) and with subcontracting to private operators which provide young people with advice, training and work experience as trainees.

As young people under 25 in France are excluded from any social minimum income scheme (such as RMI : *revenu minimum d'insertion*), some of the services provided by these local structures are very similar to the ones included in broader social policy schemes, such as housing subsidies or health support. Moreover, eligibility for unemployment benefits is conditioned in France by an employment qualification period of 4 months minimum⁸ (i.e. being in employment for at least 4 months). Those young people who haven't been in

⁸ In June 2004, 44% of unemployed young people were receiving unemployment benefit, this rate was up to 61% for the total unemployed population (Unemployment agency statistical data: <http://www.assedic.fr/unistatis/>).

employment long enough, or who have accumulated short term contracts, are thus compelled to participate in integration schemes managed by local social structures. Integration networks are an important support for young people with low education level but they also deal with qualified young people when looking for their first job.

One of the first device developed in the framework of integration policies, called CFI-jeunes (*youth individual training credit*) was introduced in 1989 and proposed a right to individual path towards training including three steps: stage one as a starting phase, stage two as a pre-skilling phase and the third stage with access training session or employment cum training contract. In 1990, 270,000 young people under 26 entered this scheme managed by local youth employment agencies and PAIO. The assessment of the CFI programme displayed limited success in term of access to qualification and employment for disadvantaged youth who frequently didn't manage to reach stage 3. Various schemes were successively developed with the objective to improve individual guidance and to provide young people with enlarged support including housing, health, etc... (introduction in 1992 of the PAQUE programme-preparatory programme for qualification and employment, replaced in 1998 by the TRACE programme, replaced in 2004 by the CIVIS scheme—see Box 3 for presentation of TRACE and CIVIS).

Finally, in June 2005, the emergency employment plan launched a drive for the National Employment Agency and the local youth employment agencies to see the 57,000 young people who had been unemployed for at least one year. The operation held 76,294 interviews for 71,553 jobseekers, the interviews far exceeding the initial target since the mobilisation initiated by this plan drove a move to see other young people. By the end of September 2005, 72% of the young long-term unemployed concerned had signed off from unemployment or had worked short time in the preceding months. Less than 60% of the young people seen had held a job from June to October 2005 and only one-quarter of these were still in employment in mid-October 2005. Most of the young people seen are unemployed again, but have had a period of wage-earning work.

Box 3 : Two main programmes for Youth integration

The TRACE programme, 1998-2004

This scheme was targeted towards young people under 26 with low qualification level and difficulties on the labour market who signed a contract with a local agency to benefit from individual guidance and support for accessing training and employment during 18 months. Training and employment spells occurring during the scheme, mainly in subsidised private and public jobs, were supposed to boost employability level of trainees. In 2003 86,400 young people were engaged in a TRACE scheme, and when they enter the scheme half of them have a minimum education level, 20% of them are early-school leavers and 30% of them have a vocational secondary education level (BEP/CAP).

The CIVIS programme, 2004 onwards

Taking up TRACE succession, the *Contrat d'Insertion dans la Vie Sociale* (CIVIS— social integration contract) is nowadays the main framework for this assistance provided by the local youth employment agencies and the reception offices for information and guidance. This contract is concluded for a period of one year. From may 2005 to April 2006, the contract took in 200,000 young people, nearly half of whom had no qualifications or skills. The act of 21 April 2006 reformed and improved this measure. Eligibility for CIVIS was extended to young higher education graduates particularly removed from the labour market. A “pathway to working life” must be proposed to the young people within three months of concluding the contract. To stabilise the young person's integration into the world of work, the assistance can continue for a year after finding a job. The young people on CIVIS contracts are covered by the

welfare system and, when they reach their majority, are entitled to a benefit during the periods when they receive no other income or allowance (€900 maximum per year and €300 maximum per month).

4.3. The Impact of Labour Market Schemes on Youth Trajectories

As for other types of labour market policies, assessment of the impact of youth programs in terms of job creation is very difficult to carry out because of the interaction between several effects such as dead-weight or windfall effects and changes in cyclical conditions in the labour market. The schemes available to young people have an overall effect on transitional rates of successive cohorts entering the labour market for the first time, they have the effect of reducing the rate of youth unemployment in the initial transition stage, although the long-term effects are very differentiated according to the type of scheme. Hence, the results of a survey on young people entering programmes in 1999, show that employment rate is as high as 82% two-years after the end of an apprenticeship contract but the situation is very different for young people who went through the TRACE programme: less than half of them were in employment two years after leaving the scheme, 38% of these young people are unemployed.

At a micro-level, a recent research program by Giret and Lopez (2005) using panel data provides a complete evaluation of the impact of labour market schemes on school-to-work transitions for young people with secondary level education.

Seventy-two percent of young people who left secondary school in 1994 went through at least one labour market scheme. Entry into schemes occurred quickly after leaving school as these schemes are directly targeted to the job search period. However, 43% of those who have experienced one scheme will enter into another scheme within a few months.

When comparing young people going through public programmes and those with similar qualification levels who do not enter these schemes, the rate of long-term employment is slightly lower for the first group, but there is no visible difference in terms of access to skilled jobs. However, within the population going through public schemes, there are important disparities in terms of access to stable and skilled jobs and there is clear cut segmentation between schemes with and without employment contracts that do not address similar populations. Roughly, it is more difficult for female trainees who went through service training and/or entered schemes with no employment contract to access skilled jobs afterwards. Overall, there is a positive impact of public schemes in terms of improved employment prospects. However, in terms of their impact on school-to-work transition, the best schemes benefit those young school leavers who may have not needed them anyway in order to find a job.

Similar results are put on the fore by Gasquet and Roux (2007) developing a micro-level analysis on young people with no qualification entering the labour market in 1998 and having been through at least one scheme over the following seven years. Showing that public schemes are a structural component of low-skilled young people trajectories, the research reveals the diversity in outcomes, depending on the level of initial training and school trajectory, the type of individual as well as the type of scheme and employment obtained.

5. Synthetic Overview on Recent Changes in School-to-Work Transition in France

This last part of the paper aims to provide a more analytical viewpoint on changes in the French transition system defined as the institutional arrangements and societal effects that create different paths for young people entering the labour market (Detzel and Rubery, 2002).

Following an institutional approach, a analysis in terms of transition system articulates several dimensions to describe national or typical models (educational institutions and their relatedness to the labour market, labour market regulation, social and labour market policies, family and gender relations) and is frequently used to produce cross-national studies and typologies that prove to be useful in clustering groups of countries (OECD, 2000; Ryan, 2001; Muller, Gangl, 2004). Focusing on France, we would like to shed light on processes of changes in order to question the consistency of a national model that has been confronted with the challenge of persistent high levels of youth unemployment. More precisely, the focus is on transformations that occurred in two of the main spheres participating in the institution of the transition system: education system and labour market policies targeted to young people.

Despite numerous reforms over the past decades, the direction for change in the French school-to-work system is still not clear. Verdier (2001) suggests that the education reforms over this period have not entailed a structural change of the system, both in terms of equity and efficiency.

In terms of equity, reforms in education did not reduce social inequalities. The outcomes from education remain highly dependent on social origins. The considerable rise in the standard of teaching has undoubtedly benefited children from all spheres and the option of entering higher education is available to over half of the younger generation. Despite this democratisation of education, there are still many social inequalities. For example, 20% of children of manual workers achieve a higher education diploma compared with 80% for children of managers or professionals. Differentiation and hierarchy amongst training paths, both in terms of level and speciality, are still very pronounced and influential in determining access to higher education and employment. Reforms postponed the selectivity stage for progression into the educational system, thus enabling scholars to stay longer at school after the compulsory age (16 years); however, access to certification is still dominantly based on a “pass or fail” system, as opposed to credit system, and this maintains a strong “meritocratic” logic.

Other disparities in school trajectories are gender-related with boys and girls following different paths in education that impact on trajectories from school to work, access to employment and quality of jobs. Differentiations at school are translated in inequalities on the labour market.

In terms of efficiency, Verdier (2001) underlined several limitations confronted by the new educational system. Overall there has been an increased role for credentials as signals to labour market, even if they are not a total protection against unemployment. Labour market outcomes depend on both the level of education and the training speciality or segment followed. Moreover, the value of vocational qualifications and certifications within the labour market remains limited since there is still no strong institutional support for an occupational labour market arrangement (especially because of the weak involvement of social partners, i.e. employers and trade unions, in the development of vocational training still dominantly managed by the State education system). Secondly, the downgrading process through which qualified young people enter low skilled jobs, can be characterised as a response to an over production of qualified young people in relative to the skill composition of the employment structure. High rates of unemployment contribute to increased job competition and the rise in credentialism has not influenced the high vulnerability of youth employment to economic downturn. Competition in the labour market has increased between more qualified school leavers and more numerous experienced workers who change their jobs.

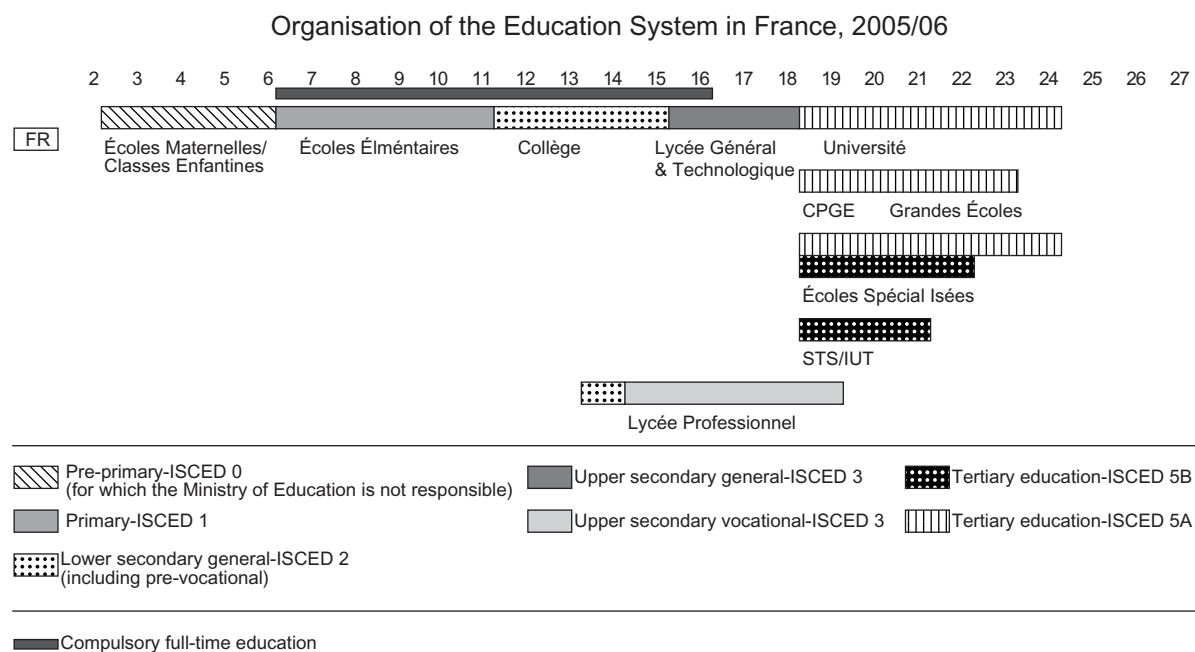
Labour market policies targeted towards young people appear to be successful in reducing unemployment for an important component of school leavers. However, their success is very selective and promotes recurrent spells of unemployment and protracted transitions for a part of the youth. Unemployment remains an experience for a minority in the youth labour market. Out of 740,000 young people who left school in 1998, over half had never been

unemployed during the first three years of their working lives (Céreq, 2002). The figure is similar for school leavers entering the labour market in 2001 and surveyed in 2004 (Céreq, 2005). For some young entrants into the labour market, access to employment seems particularly difficult; despite reaching secondary school level of education and intensive job search activity, access to employment tends to finally occur after a period of long term unemployment. However, the transition for this group is largely too precarious and restricted to part-time jobs (Mora, 2004). The dominant feature is one of diversity in school-to-work trajectories, reflecting social segmentation related to gender, social origin and geographical location.

It is difficult to conclude that there has been a structural change in transition processes for youth as a result of labour market policy development. Adversely, integration schemes clearly participate in changes in the French employment system as a whole: these schemes act on the labour force mobility and renewal through the organisation of school-to-work pathways while conciliating with flexibility and reduction of labour costs that are supposed to favour job creation. This hypothesis fits quite well with the well-known polarisation of the youth labour force into specific segments of the labour market.

The selective processes operating on the labour market are still strongly biased towards the traditional model of “a generation works at a time” and the school-to-work transition period remains highly sensitive to economic evolution. Youth unemployment results from a set of mechanisms that relate more particularly to those of job shortage or excess labour supply. However, the nature of the jobs held by young people when they enter the labour market, and more specifically the use of temporary contracts for recruitments, also create more flexibility and mobility for this labour force. One could formulate the hypothesis that school leavers participate in the renewal of the labour force when they enter the labour market, but they also contribute to the re-definition of the standard employment relation towards more flexible forms (Lefresne, 2003).

Finally, public labour market policies have had a countercyclical effect but are unable to cope with the selectivity of the labour market and the precarious employment arrangements for many young people. It seems that an internal labour market logic still operates dominantly in France, at least in relation to entry selection mechanisms and occupational mobility patterns for young labour force (Germe, 2001). Recent developments in the access to employment for young people tend to reinforce typical features of the school-to-work transition system in France and, at the same time, to reflect some structural transformations of the employment system, more particularly the experience of atypical forms of employment. However, tensions in the transition system are also related to the destabilisation of the internal labour market (Gautié, 2004): job instability, decreasing role of tenure and of specific skills in wage determination, decline in internal career structures. In any case, youth difficulties in transitions from school to work in France are highly dependant on societal specificities: an educational system based on a normative relation between school, training and employment that has been destabilised by a high level of unemployment. From a life course perspective, it is clear that school-to-work transitions will impact on future career prospects. Stabilisation, wage progression and promotion perspectives that were traditionally characteristic of adult workforce trajectories, are not easily predictable for new generations entering the labour market.



Source: Eurydice.

References

- Arrighi, J.J., Brochier D. (2005), '1995-2003 l'apprentissage aspiré par le haut', *Bref n°217*, March, Céreq, Marseille.
- Béduwé, C. and Germe J.F. (2003), *Vers une stabilisation des niveaux de formation en France?*, Document de travail n°27, Centre d'études de l'emploi, Paris.
- Céreq (2002), *Quand l'école est finie... Premiers pas dans la vie active de la Génération 98*, Céreq, Marseille.
- Céreq (2005), *Quand l'école est finie... Premiers pas dans la vie active de la Génération 2001*, Céreq, Marseille.
- Céreq (2006), *Quand la carrière commence...* Forthcoming, Céreq, Marseille.
- Coupié, T., Giret J.F. and Lopez A. (2005), "Des formations initiales aux premiers emplois : une correspondance plutôt mal assurée", in JF Giret, A. Lopez and J. Rose (eds), *Des formations pour quels emplois?*, Paris: La Découverte.
- Coupié, T. and Mansuy, M. (2004), "L'insertion professionnelle des débutants en Europe: des situations contrastées", *Economie et Statistique*, n°378-379, INSEE, Paris, 147-165.
- Detzel, P. and Rubery, J. (2002) 'Employment systems and transitional labour markets: a comparison of youth labour markets in Germany, France and the UK' in G. Schmid and B. Gazier (eds.), *The Dynamics of Full Employment: Social Integration Through Transitional Labour Markets*, Cheltenham: Edward Elgar.
- Economie et Statistique (2004), *Bilan Formation-Emploi, de l'école à l'emploi: Parcours*, n°378-379, INSEE, Paris.
- Elbaum, M. and Marchand, O. (1994), "Emploi et chômage des jeunes dans les pays industrialisés: la spécificité française", *Travail et Emploi*, n°58, 111-121.
- Fondeur, Y. and Minni, C. (2004), "L'emploi des jeunes au coeur des dynamiques du marché du travail", *Economie et Statistique*, n°378-379, INSEE, Paris, 85-105.
- Gasquet, C. and Roux, V. (2007), "Les sept premières années de vie active des jeunes non diplômés: la place des mesures publiques pour l'emploi", forthcoming in *Economie et Statistique*, INSEE, Paris.

- Gautié, J. (2004), “Les marchés internes, l’emploi, les salaires”, *Revue Française d’Economie*, vol. XVIII, avril, pp. 33-62.
- Germe, J.F. (2001), “Au-delà des marchés internes: quelles mobilités, quelles trajectoires?”, *Formation Emploi* n°76, 129-145.
- Giret, J-F and Lopez, A. (2005), “Les politiques publiques au coeur des trajectoires des jeunes”, *Travail et Emploi*, 101, 31-43.
- INSEE (2005), “Informations rapides” *INSEE Conjoncture*, n°90, Mars.
- Lefresne, F. (2003), *Les jeunes et l’emploi*, Collection Repères, Paris: La Découverte.
- Lopez, A. (2004), “Les modes de stabilisation en emploi en début de vie active”, *Economie et Statistique*, n°378-379, INSEE, Paris, 105-129.
- Mansuy, M. and Minni, C. (2004), “Le secteur de premier emploi oriente-t-il le début de parcours professionnel?”, *Economie et Statistique*, n°378-379, INSEE, Paris, 129-147.
- Marchal, N., Molinari-Perrier, M., Sigot, J.C. (2004), “Génération 2001, S’insérer lorsque la conjoncture se dégrade”, *Bref n°214*, December, Céreq, Marseille.
- Mora, V. (2004), “Lorsque le processus d’insertion professionnelle paraît grippé”, *Bref n°206*, March, Céreq, Marseille.
- Müller, W. and Gangl, M. (eds), (2003), *Transition from Education to Work in Europe – the Integration of Youth into EU Labour Market*, Oxford: Oxford University Press.
- OECD (2000), *From initial education to working life. Making transitions work*. Paris, OECD.
- Ryan, P. (2001) “The school-to-work transition : a cross-national perspective”, *Journal of Economic Literature*, vol. XXXIX, n°1, pp. 34-92.
- Verdier E. (2001) “La France a-t-elle changé de régime d’éducation et de formation?”, *Formation Emploi*, 76, 11-34.

Web Resources:

All Céreq publications, including papers from the journal *Formation Emploi*, are downloadable on the website: <http://www.cereq.fr>

Publication from the national institute of statistics (INSEE) are downloadable on the website : http://www.insee.fr/fr/home/home_page.asp

Data about education system are downloadable at :

<http://www.education.gouv.fr/pid8/le-systeme-educatif.html>

Data on employment and labour market policies are downloadable at :

<http://www.cohesionsociale.gouv.fr/etudes-recherche-statistiques/26.html>

The Status of Youth Unemployment in Korea and Policy Tasks

Insoo Jeong
Korea Labor Institute

1. Introduction

Youth unemployment in Korea is a structural problem that has persisted since the Korean financial crisis. Since 2000, the youth unemployment rate in Korea has been averaging around 8% and 2006 was no exception with rates reaching 8% in the first half. Despite government efforts to tackle youth unemployment, there are currently no signs of improvement.

There are largely five structural problems causing youth unemployment.¹ First, since 2003, Korea's economy has been slow with economic growth rates struggling at around 3%-5% and the coefficient of employment, the number of employed workers per every one billion won of Gross Domestic Production (GDP), dropped to half of the level of 1990 in 2005. This caused a reduction in employment absorptive capacity making it difficult for college graduates to find jobs. Second, there are too many highly educated people seeking jobs. About 80% of young job seekers are college graduates, but unfortunately only 30% of jobs in society demand highly educated workers. Third, education in schools do not satisfy the demands of society. As is the case, many employers seek experienced workers from other previous jobs which reduce employment opportunities for new graduates and also increases unemployment duration. Fourth, public sector investment in regional vocational training is weak because vocational training is entrusted to the voluntary commitment of the private sector instead of the public sector, and even in the private sector there is a lack of self vocational training by large enterprises. Fifth, compared to other advanced nations, Korea largely lacks employment support services such as the availability of information on job openings and job recommendation.

Due to these structural problems, youth unemployment in Korea shows no signs of improvement despite the continuous efforts of the government to solve the problem each year through policy proposals and budget allocation. And because of its structural nature, it is difficult to solve this issue in a short period of time through government initiatives. Structural problems and regional problems require indirect solutions led by regional councils and not the direct intervention of the government.

This study will focus on the unemployment of youth with an education background of high school or below.² In chapter 2, we will look into the status of youth unemployment and in chapter 3 the structural problem of unemployed youth with an education background of high school or below will be identified through an analysis of job separation rate and job finding rate. Chapter 4 will reveal the results of an interview survey with unemployed high school

¹ The findings of the Insoo Jeong, Kimin Kim (2005) study which is the basis of this study, shall be summarized in this paper because it provides the foundation for the proposal of policy tasks.

² Summary of "Identifying the Unemployment Status of Youth with an Education Background of High School or Below and Policy Tasks" by Insoo Jeong, Jaeryang Nam, Sungwoo Lee (2006).

graduates or below and in chapter 5 we will assess the government's current measures in tackling youth unemployment. In chapter 6 we will supplement the government's Youth Employment Promotion Plan (April 20, 2006) for high school graduates or below and will discuss directions for policy to resolve the structural problem of youth unemployment and finally in chapter 7 we will make specific policy proposals based on our findings.

2. The Status of Youth Unemployment

The youth (15-29 years) unemployment rate in Korea surged up to 12.2% after the Korean financial crisis in 1998 and later leveled out to 6.6% in 2002 nearing the 1997 level of 5.7%. However, economic slowdown again pushed it up by 2% point to 7.7% in 2003 and the latest official record in 2006 stands at 7.6%.

Over 60% of unemployed youth are high school graduates or below (Table1). Compared to college graduates who have a more difficult time finding jobs at graduation and who spend more time searching for jobs than before, the major problem in the high school or below group is that they experience more unstable employment bouncing among the employment, unemployment, and economically inactive status.

Table 1. Trend of Youth Unemployment by Education Background

(Unit: thousand people, %)

	1998	1999	2000	2001	2002	2003	2004	2005	2006 (as of July)
Total	1,490(7.0)	1,374(6.3)	913(4.1)	845(3.8)	708(3.1)	777(3.4)	813(3.5)	833(3.5)	810(3.4)
Youth	655(12.2)	574(10.9)	402(7.6)	388(7.5)	341(6.6)	383(7.7)	391(7.9)	366(7.6)	353(7.6)
High School Graduate or Below	487(15.1)	425(13.6)	281(8.9)	261(8.6)	218(7.5)	239(8.4)	246(9.0)	225(8.8)	198(8.4)
College Graduate or Above	168(10.0)	149(8.7)	121(6.6)	127(6.6)	123(6.1)	143(6.7)	145(6.4)	141(6.2)	155(6.7)

Source: National Statistical Office, 'Census of Economically Active Population'.

Notes: 1) First half is the average of January to May.

2) Official government statistics now define unemployment as "four weeks of job searching" instead of "one week of job searching." However, in order to use time series data, this study follows the criteria of "one week of job searching."

3. Causal Analysis of High School or Below Youth Unemployment

In a dynamic perspective, flow variables such as job separation rate and job finding rate decide the unemployment rate. Therefore, the cause of unemployment of high school graduates or below can be identified by measuring flow variables.

3.1. Analysis Model

Unemployment rate is a stock variable decided by flow variables. Therefore, to discuss unemployment levels and changes in rates, a model that decides the unemployment rate through flow variables must be adopted. First, we will look at a flow model of the labor market and then the unemployment rate model.

Figure (1) below has been proposed to deduct a model for flow analysis of the labor market.³

³ For further information refer to Jaeryang Nam (1997), Jaeryang Nam, Geungwan Ryu, Hyomi Choi (2005), and Marston (1976).

$$(1) \quad S_{x+1} = S_x \Pi,$$

$$S_v = [E_v U_v N_v] \quad (v=t, t+1)$$

However,

$$\Pi = \begin{bmatrix} ee & eu & en \\ ue & uu & un \\ ne & nu & nn \end{bmatrix}$$

In one point in time, for instance at point t , the state of labor force is divided into three situations; employment, unemployment, and economically non-active. The number of people in each state is expressed as E_t , U_t , and N_t , and is expressed together as vector S_t . Now, we will express the change of the status of workers within a certain period of time, for instance, one month, as Π which is a transition probability matrix with nine elements. The elements of the matrix are transition probabilities which divide the number of people who have moved to a certain employment state at $(t+1)$ among the people of a certain status of employment at point t by the number of people at the original state (point t). For instance, ue is taking the employed population at point $(t+1)$ among the unemployed at point t and dividing it by U_t , the original number of unemployed. In other words, this is the transition probability of unemployed becoming employed in a time frame of one month.

We will now increase our understanding of a flow model by looking into transition probability matrix Π in more detail. Table 2 has been prepared for this purpose. In the table, the first column and the first row represent the state of labor force in the present time (point t) and the next time (point $t+1$), respectively. If we express employment as E , unemployment as U , and economically non-active as N , for a certain period of time, for instance one month, the change of the state of workers can be expressed through the Markov Probability Matrix which has nine elements as seen in the table.

Table 2. Markov Probability Matrix

$t \backslash t+1$	E_t	U_t	N_t
E_t	$EE (ee)$	$EU (eu)$	$EN (en)$
U_t	$UE (ue)$	$UU (uu)$	$UN (un)$
N_t	$NE (ne)$	$NU (nu)$	$NN (nn)$

The elements of the matrix are expressed in both upper case and lower case letters. The elements marked in upper case represent the number of people that have changed to a certain state at point $t+1$ from a previous employment state at point t , and the lower case is this divided by the number of people at the original state (point t). Therefore, the elements expressed in lower case represent the transition probability from point t to point $t+1$. For instance, EN is the number of people who have shifted from employment at point t to non-economically active at point $t+1$ and en is the transition probability defined as EN/E_t . For each row, the combined transition probability is 1. So, the equality of $ee+eu+en=1$ can be established.

Among the elements of the transition probability matrix, $eu+en$ is the deviance probability from a state of employment which is in fact the unemployment probability. In

other words, this is the possibility of becoming jobless as defined in this study on employment insecurity. Also, the sum of each row is 1, so the possibility of unemployment can be expressed as $(1-ee)$. Furthermore, if the possibility of remaining in a state of employment is steady at ee , the period expected to remain employed, in other words, the expected employment period can be calculated. That means, the expected complete employment period can be calculated by $1/(1-ee)$.

According to Marston (1976), unemployment rate at a steady state is decided as follows by job separation rate a and job finding rate β which is the linear combination of the many flow variables witnessed in Figure (1) and Table 1 above.

$$(2) \quad \text{UR} = \frac{a}{a+\beta},$$

$$a = eu + (en) \cdot (1-Pne)$$

$$\beta = ue + (un) \cdot (Pne)$$

$$Pne = \frac{ne}{ne+nu}$$

In order to exactly identify the unemployment rate, a steady state must be assumed and under that assumption the unemployment rate can be expressed as seen in Figure (2). However, even if you do not assume a steady state, the unemployment rate is definitely decided by the job separation rate and job finding rate. Yet, if a steady state is not assumed, it is impossible to exactly know the unemployment rate formula.

The unemployment rate can be expressed by using the unemployment period and unemployment frequency. In other words, if we define the unemployment period as Figure (3) and the unemployment frequency as Figure (4), the unemployment rate will be decided by unemployment period D and unemployment frequency E .

$$(3) \quad D = \frac{1}{1-uu}$$

$$(4) \quad E = (EU + NU) / L$$

3.2. Analysis Results of Job Separation Rate and Job Finding Rate

Table 3 is the results of measuring job separation rate and job finding rate. If we compare the high school graduate or below group with other scholastic achievement levels, we can see that there is a great difference in the cause of unemployment between high school graduate and other scholastic groups.

First, in the case of high school graduate, the job separation rate is very low and the job finding rate is also low. In particular, the job separation rate is significantly lower compared to the job finding rate which means that the unemployment rate for this group is the lowest. The situation of college dropouts is similar to the characteristics of the high school graduate group. As for other groups, their job separation rate is very high and their job finding rate is high as well. In other words, these groups experience frequent movement within the labor market.

The job separation rate of high school graduate is higher than that of college graduate. On the other hand, the job finding rate is similar, so the unemployment rate of high school graduate comes out higher than college graduate. The job separation rate of high school

graduate in 2004 is 2.94 which is significantly higher than the 1.96 of college graduate, and due to this, the difference in unemployment rate widened. Although a long term structural analysis is warranted, efforts to lower the job separation rate of high school graduate can be effective if we keep in mind that there is a difference between the fluctuation of job separation rate of high school graduate and college graduate. To lower job separation, efforts to reduce the mismatch between worker and job in advance is important. In addition, information distribution promotion policies and vocational training at schools can be effective solutions as well.

Table 3. Job Separation Rate and Job Finding Rate

	Job Separation Rate		Job Finding Rate		Unemployment Rate	
	2003	2004	2003	2004	2003	2004
Middle School Graduate or Below	4.91	5.36	38.9	44.2	11.1	10.5
High School Graduate	2.68	2.93	35.4	32.3	7.1	8.2
College Student	5.47	5.03	47.8	53.4	9.1	8.6
College Dropout	4.03	2.94	32.8	39.0	8.9	8.2
College Student in Leave of Absence	4.82	3.95	49.1	40.8	8.8	9.6
College Graduate	2.10	1.96	32.5	32.3	6.9	6.6

Source: National Statistical Office, 'Census of Economically Active Population'.

3.3. Analysis Results of Unemployment Period and Unemployment Frequency

Now we shall look at the unemployment period and unemployment frequency (Table 4). First, in the case of high school graduate, this group has low unemployment frequency but the unemployment period is relatively long. This suggests that the unemployment of high school graduate may be long-term and structural compared to other scholastic achievement groups. On the other hand, the unemployment period of the college student group is very short and the unemployment frequency is very high. In other words, this group very frequently experiences unemployment but the period is not long.

In the case of college dropout, the unemployment period is as high as the high school graduate group and the unemployment frequency is high as well which means that the unemployment rate is high. Dropouts are not enrolled in school so they settle in the labor market just like high school graduates. Therefore, labor mobility which is generally high among the youth is low for this group.

If we compare the high school graduate group with the college graduate group, there is scarcely any difference in the unemployment period of the two groups, but a significant difference in the unemployment frequency can be noticed. The unemployment frequency of high school graduate in 2004 is 2.9 which is significantly higher than the 2.0 of the college graduate group. This result is similar to the earlier results regarding job separation rate and job finding rate which once again stresses the need for policies aimed at lowering unemployment frequency or in other words job separation.

Table 4. Unemployment Period and Unemployment Frequency

	Unemployment Period		Unemployment Frequency		Unemployment Rate	
	2003	2004	2003	2004	2003	2004
Middle School Graduate or Below	2.4	2.1	5.8	6.2	11.1	10.5
High School Graduate	2.6	2.8	2.6	2.9	7.1	8.2
College Student	1.8	1.6	7.1	6.0	9.1	8.6
College Dropout	2.7	2.4	4.0	2.8	8.9	8.2
College Student in Leave of Absence	1.9	2.3	4.2	3.6	8.8	9.6
College Graduate	2.7	2.8	2.0	2.0	6.9	6.6

Source: National Statistical Office, 'Census of Economically Active Population'.

3.4. Conclusion

As a result of measuring the flow variables by each scholastic achievement group, we have noticed that the cause of unemployment is different for each segmented group. This means that specific policies must be adopted differently according to the characteristics of each scholastic group including unemployed youth with an education background of high school or below.

Specifically, the reason that high school graduate and college dropout have a higher unemployment rate than college graduate is because of frequent job separation. In comparing the analysis results of high school graduate and college dropout to that of college graduate, there is no difference in job finding rate, but the job separation rate of the high school graduate and college dropout group is higher. The fact that job separation rate is high means that the mismatch between jobs and workers is high. In other words, even if employed, workers are not doing the jobs that they want to do. This interpretation is verified in the interview survey results of unemployed high school graduates or below in chapter 4. Therefore, the policy for the high school graduate and college dropout groups must focus on raising employment competency through vocational training coupled with more availability of job information.

The college student and college student in leave of absence group have high job separation rates but the job finding rates are high as well. This does not imply a mismatch of jobs and workers, but reflects the way that they participate in the labor market, for instance temporary employment or seasonal factors. This group shows low performance in the labor market, so the activation of part-time work and greater monitoring of the labor market for issues such as lowest wage compliance constitutes important policy directions for this group. Finally, more than 60% of the unemployed population of middle school graduates or below are high school dropouts. For this group, policy approach in the perspective of recognizing this group as the vulnerable class of youth is desirable.

4. Results of Interview Survey with Unemployed High School Graduates or Below

Four important tasks have been identified from the interviews with unemployed high school graduates or below.

First, there is a lack of promotion of the government's unemployment measures. To correct this, websites introducing the labor ministry's policies on unemployment should be linked to portal sites such as "Employment," "Part-Time," or "Job" which are Internet sites popular among the majority of job seekers for information on job hiring. Introducing unemployment policies through pop-ups on popular job sites can also be considered.

Second, there is a need to increase the diversity and quality of vocational training and the technician qualification system must be improved. Diversity of vocational training refers to different areas of training, hours of training, and periods of training. Unemployed youth with an educational background of high school or below must earn their living while in training. Considering this situation, training should not be all day as is now, but part-time, for instance only in the morning or afternoon. The area and period of training in the same respect must be diversely tailored to regional characteristics as well. As for the quality of vocational training, many interviewees complain that the trainers or curriculum are behind labor market demands. In addition, the technician qualification system must be improved as well. Currently, there are too many technical qualifications of which are far from realistic demands. Even if one were to attain a qualification, he/she could hardly receive any benefits in the field.

Third, the vocational high school curriculum needs to be changed. The education at vocational high schools does not meet the demands of actual industry. Therefore, substantial investment in this area is required.

Fourth, institutional changes are needed to increase the availability of employment information to high school graduates or below. High school graduates or below cannot attain job seeking information from university employment centers such as college graduates, so a well prepared job information and job consulting department must be made available for high school graduates or below at employment support centers.

5. Government Measures to Tackle Youth Unemployment

The following is a summarized evaluation of the Korean government's previous measures to resolve youth unemployment. The government's measures to resolve youth unemployment during the period of 2004~2006 before the enactment of the [Employment Promotion Plan for High School Graduates or Below] in April 20th, 2006 was only 20% of total efforts to tackle overall unemployment issues. Also, previous measures were generally focused on the unemployment of the college student or college graduate group, and even if the focus was on high school graduates or below, the important window of implementation was the universities which made it hard in reality for high school graduates or below to approach the system voluntarily.

Overall the [Employment Promotion Plan for High School Graduates or Below] which was enacted on April 20th, 2006 is evaluated to be a big improvement in measures for high school graduates or below compared to the period before 2006. This plan actively provides employment support services to resolve the lack of guidance in making job decisions and has improved the availability of information on the labor market. It also strengthens support for vocational high school students, youth that discontinued their education, and dropouts while at the same time induces employment at small and medium sized businesses through the fostering of manual workers.

6. Basic Policy Directions to Resolve the Unemployment of High School Graduates or Below

There are six basic policy directions for problem resolution.

First, the problem of unemployment of high school graduates or below should be addressed together with the problem of labor shortage at SMBs.

Second, the supply and demand of labor must be in line with the needs of the region by analyzing labor market situations by region and establishing a vocational training system by region and occupation.

Third, instead of policy implementation based on schools which was previously the foundation of the government's policy on youth unemployment, the focus should be put on the unemployed population who are out of school.

Fourth, there should be more bodies involved in implementing measures to tackle youth unemployment. Previously, only measures executed directly by relevant government departments were recognized as youth unemployment measures. This limited the formats and methods of applying policy. In this respect, we should escape from these limitations and expand indirect methods such as the execution of funds from the private sector or regional partnerships. Even in the experience of advanced nations, this method was proven as an effective way to resolve regional problems.

Fifth, investment in establishing infrastructure for employment services is important. This is because the biggest difficulty for unemployed high school graduates or below is acquiring information on job hiring (Insoo Jeong 2005).

Sixth, we must improve the working environment at SMBs. The realistic alternative for unemployed high school graduates is SMBs, but the lack of a decent working environment is acting as an obstacle to employment.

More detailed explanation on the basic policy directions are as follows.

6.1. Simultaneous Resolution of Labor Shortage at SMBs and Unemployment of High School Graduates or Below

The most realistic method to solving the problem of unemployment of high school graduates or below is to link this issue with employment at SMBs. According to the Ministry of Labor's Study on the Trend of Supply and Demand of Labor, SMBs were short of 225,000 workers in May of 2005 and among this small and medium sized manufacturers were short of 80,000 skilled production workers.⁴ The biggest hardship for managing a small and medium sized manufacturing business is the shortage of skilled production workers.⁵ The results of the Youth Status Study in October of 2004 (Insoo Jeong 2005) show that 32% of youth job seekers wish to work at SMBs with less than 100 employees. This means that a fundamental labor supply route must be established to resolve the labor shortage problem of small and medium sized manufacturers by supplying them with 32% of the 225,000 unemployed youth which is 72,000 workers. In fact most of the youth job seekers who are college graduate or above seek employment at autonomous organizations in large cities. However, the labor force that can be utilized for skilled production work at lower level jurisdictions for regional manufacturers are unemployed high school graduates or below, which means that if we induce employment of unemployed high school graduates or below into the skilled production work of small and medium sized manufacturing companies, the problems of youth unemployment and shortage of manpower at SMBs can be resolved at the same time.

6.2. Analysis of Labor Market by Region and Establishment of Training System by Occupation

Each region has the power to absorb unemployed high school graduates or below. The government's measures against youth unemployment are not fully maximized because of the

⁴ Refer to appendix 4 for the status of labor shortage at small and medium sized businesses

⁵ The shortage of skilled production workers cannot be resolved with foreign workers. This is because the majority of foreign workers attend to simple labor work. In the Study of the Labor Market of the Bucheon Manufacturing Industry by Insoo Jeong (2006), the biggest hardship for manufacturers in Bucheon was the shortage of skilled production workers.

structural issues related to youth unemployment, but also because they are uniformly planned and executed at the central level. So, another cause of the youth unemployment problem is the lack of policies considering the regional situation.⁶

According to the Bucheon Manufacturing Industry Study by Insoo Jeong (2006) which provides an example of the importance of analyzing the labor market and policy execution by region, the five major manufacturing industries in Bucheon, plastic, speciality machinery which includes electrical equipment and molds, broadcast/video/audio, and semiconductor/electronic parts saw an increase of jobs while general machinery and textiles saw a decrease. In the analysis of labor shortage, the four job categories of metal machinery, assembly, machine operator, and fixed machinery and system operator accounted for 86% of the lack of skilled production workers. In the analysis of job seekers, unemployed high school graduates in Seoul also wanted employment in Bucheon, but none received vocational training related to the job categories lacking workers. In summary, in order to resolve the shortage of skilled production workers in the Bucheon Manufacturing Industry (18%) and the problems of youth unemployment together simultaneously, job characteristics by region should be identified so that solutions may be created through vocational training. In other words, policy must reflect the characteristics of the regional labor market.

The establishment of a vocational training system by occupation and region is to invest in vocational training for specific jobs in consideration of the major occupations in a certain region to supply the proper workforce needed by the industry in the region. The major industries in Busan and Daegu are different, and even if we look at regions within the capital area, the major industries of Bucheon and Suwon are different as well. Because the major industries in each region are different, the required workers and training is different. If we attain information on the type of workers needed for major industries by region and provide them with the appropriate training, the shortage of production workers and youth unemployment can be resolved simultaneously. The manpower shortage of skilled production workers at small and medium sized manufacturing industries are at a serious level of 15%. On the other hand, college students have lowered their job expectations with more than 30% of respondents expecting to graduate from college answering that they would be willing to work as a production worker at a company of 30-100 workers.

6.3. Measures to Tackle the Youth Unemployment of Graduates Who Have Left School

Execution of the government's measures against youth unemployment are focused on methods that go through the schools. In fact, the focus is on universities. However, the characteristic of unemployed high school graduates or below is that their job separation rate is high due to the fact that they have not received proper vocational training. In other words, measures are needed to address the unemployment of youth who have graduated from high school. The current methods of executing measures against youth unemployment do not satisfy those who have graduated from school. Therefore, the government should directly take charge of the vocational training of those who have graduated from school to raise the employment rate. Vocational training in Korea is not performed well by both the public and private sectors. In addition, the training provided at vocational high schools does not meet the demands of industry, so the vocational training of unemployed high school graduates or below must be strengthened by the public sector. Vocational training being the most demanded policy by unemployed high school graduates reflects this need (Insoo Jeong 2005).

Japan successfully introduced the Dual System in 2003. This is an initiative that provides vocational training to youth who have been unemployed for more than three months. This

⁶ In understanding the importance of employment at the regional level, the Ministry of Labor has adopted the [Trial Project for Regional Employment and Human Resources Development] since 2006.

provides a good model for Korea in that the government directly takes charge of the vocational training of unemployed youth who have already graduated.

6.4. The Usefulness of Indirect Policies through Regional Partnerships in addition to Direct Government Policies

Every region has its own unique situation. The central government's direct policies lack the flexibility required in executing policies tailored to the characteristics of each region. This reduces the effectiveness of policies by half. In implementing measures for youth unemployment by region, the central government must allocate funds to regional councils, review various project proposals submitted by private organizations in the region and select a few parties to invest the funds. This kind of indirect method should be considered as equally as direct methods such as government establishment of training centers by occupation and region or investment in programs.

The City Development Board of Ireland provides a success story of achieving regional development and creation of jobs for vulnerable classes through regional participation. As the Korean government now proclaims the importance of regional development as a new economic growth engine, the Ministry of Planning & Budget should greatly expand funds for activation of regional councils and should utilize indirect policies through regional partnerships to tackle the youth unemployment problem. This is an important alternative in supplementing current government policy through implementing policy tailored to regional characteristics.

6.5. Investment in Infrastructure for Employment Support Services

Establishing infrastructure for employment support services is another important way to tackle youth unemployment. Since an important cause of youth unemployment is lack of job information, there is a need to promote the matchmaking of job seekers and job offerers through the establishment of infrastructure for employment support services. The employment services infrastructure in Korea is quite poor compared to that of other nations. One worker at Korea Employment Services is responsible for over 10,000 economically active people while countries such as Germany or Sweden only cover 430 people per worker. Employment service centers are also popular among college students with 30% of people seeking job information at employment service centers being college students. However, seen from the fact—provided in a study on economically active youth by the National Statistical Office—that only 6% find jobs through public or private employment service centers while 45% of employment is achieved through personal connections, it is important to invest in infrastructure for employment support services for college graduates as well.

6.6. Improvement of Working Environment at SMBs and the Environment Near Small and Medium Sized Manufacturing Complexes

Another important task is improvement of working environment. According to survey results for the Bucheon Manufacturing Industry Study, training opportunities, increased level of welfare for employees, and schemes for self-development were more demanded issues by the workers of the Bucheon area than wage levels. By raising the quality of life for workers through the establishment of complex cultural facilities, restaurants, and recreational facilities near regional SMB complexes, more unemployed youth can be enticed to work at small and medium sized manufacturers and previous workers will not leave the company.

7. Policy Tasks

First, investment in analyzing the labor market at regional levels. Precise data on regional development issues and the type of functional workers needed by each region must be attained through analyzing job creation and destruction by region, the effectiveness of vocational

training, jobs that are facing labor shortage in the region, and jobs that require training. In addition, industry-academia cooperation which reflects regional characteristics are also required to develop functional workers for the field. Without precise data on the type of workforce lacked by region and the required training levels for employment, efforts to resolve youth unemployment and shortage of skilled technical workers at SMBs will have no real effect.

Second, investment in training facilities and program development such as the establishment of training centers by occupation and region or the installation of regional vocational training offices.

There is a need to hire unemployed high school graduates as skilled production workers by establishing SMB vocational training centers by region and occupation. According to the results of a study on the resolution of labor shortage at SMBs in the Bucheon area in 2005, the main industry in Bucheon is manufacturing such as the manufacturing of machinery equipment and optics, but the biggest problem this region faced was a lack of skilled production workers (18%) able to operate precision machinery. Shortage of skilled technicians not only hinders exports, but these technical workers cannot be substituted with foreign workers. If special support is required by SMBs by region and occupation, the companies can work with regional council consortiums to establish vocational training centers. Through this the shortage of workers at SMBs and the problem of youth unemployment can be resolved at the same time. Specific policy tasks are as follows.

- 1) As a method to strengthen the job skills of unemployed high school graduates that have not advanced to the next level of schooling (high school graduate or below), the status of vocational high school graduates must be identified and a specialized vocational training system must be developed for this group. Training for occupations popular to the youth and positions required by SMBs should be opened and tailored to specific needs. Job categories such as mechatronics, electronics, telecommunication equipment, and machine design and production which are popular to youth as well as machinery maintenance, welding, and construction which lack manpower must be included in training programs. In order to achieve this goal, measures to strengthen ties between public and private vocational training organizations such as the Human Resource Development Institute under the Korea Chamber of Commerce and dropout youth must be considered.

- 2) Investment for training facilities and programs such as the establishment of training centers by occupation and region or the installation of regional vocational training offices is needed, but the establishment of training center by occupation and region can be done by either investment from public funds or training consortiums involving SMBs and large companies.

- 3) Another method of establishing training systems by region and occupation is having companies invest more and promote business associations by occupation while providing administrative and financial support. For instance, the case of the Bucheon Die & Mold Business Association provides an important model of a realistic method for strengthening in-service training in the region. As seen in this case, the regional chamber of commerce should take the initiative in creating the business association for key occupations in the region and accepting these associations into the regional tripartite committee as an automatic member could also be considered. Just like the Bucheon Die & Mold Business Association, these business associations should be classified as regional specialty occupations by the Ministry of Commerce, Industry, and Energy, and methods to provide administrative or financial support should be reviewed.

Third, strengthening of vocational training for unemployed high school graduates or below by regional public authorities; the Dual System in Japan.

The Dual System is a talent development program which provides unemployed high school graduates five months of short-term vocational training, training support worth 100,000 to 400,000 yen annually per person by the government (Job Skill Development Agency), and actual practice at companies along with collective training at training centers.

According to the contract terms and conditions, companies can pay trainees an allowance or salary and training centers also pay training fees to the companies. As for the method of implementation, there are various ways to conduct training such as 2 months of lectures + 2 months of practice or 3 days of lectures + 2 days of practice according to the agreement with the company.

As a result of this program, the employment rate increased to 68.4% within three months among 23,000 trainees enrolled in 1,620 courses in 2004. Long-term training takes place for 1-2 years and since 2004, 47 courses have been operated by 28 regional authorities.

Fourth, administrative or financial support for the establishment of regional council operations and networks. Expansion of central government funds to the regions is necessary for the success of regional projects.

In the examples of advanced nations, regional councils play an important role in resolving regional problems. Regional problems can only be solved when regional council operations and networks are established. Administrative or financial support is needed to create a network for regional tripartite committees, business associations, regional training centers, regional research centers, schools, trade unions, chambers of commerce (employees federation), and NGOs. As seen in the examples of advanced nations, regional funds are raised to conduct projects required by the region through public bidding for projects by business associations, research centers, labor-management organizations, and NGOs. Conducting these projects is an important part of resolving the obstacles to regional economic development and SMB growth, not to mention increased employment of the vulnerable.

Fifth, support by local autonomous bodies and the Small and Medium Business Administration for the improvement of the environment near regional small and medium sized manufacturing industry clusters.

Restaurants, recreational facilities, and leisure facilities should be created within regional industrial complexes to raise the quality of life of workers. This will create a sense of pride for previous workers and may also induce employment for SMBs. Attracting complex cultural facilities, medical facilities, employee welfare centers, and labor welfare unions within these regional industrial complexes is way to improve working conditions at the company level.

Sixth, investment in public employment stabilization services.

According to study results of regions with a strong presence of small and medium sized manufacturing companies, these regions have many long-term unemployed workers. To resolve long-term unemployment and to ensure the quick labor movement of workers laid off from their jobs during economic recession, public employment stabilization service systems must be operated more solidly. In particular, tracking services must be provided through the counseling of unemployed individuals. Much investment is required to include personal counseling in public employment stabilization service systems. Without a detailed program and investment, the benefits of personal tracking service such as connecting public employment stabilization services with vocational training will not be great. In the results of the study on youth unemployment (October 2004), 40% of college graduates responded that they visit employment support centers because of lack of job information. Therefore, the following specific policy tasks have been proposed:

- 1) First, more manpower at employment support centers is needed for the establishment of job security infrastructure. There should be sufficient workers to at least match levels of Japan in terms of economically active population per worker as seen in Table 5, and in-depth counseling services must be provided to promote the employment of the vulnerable.⁷ Furthermore, employees must be equipped with expertise through strengthened training.

⁷ The importance of job mediators must be raised to increase the job counseling time from the current 10 minutes to at least more than 30 minutes.

Table 5. The Number of Employees and Number of Assigned People per Employee at Public Employment Security Organizations in Major Countries

	Korea (March 2004)	Germany (2001)	UK (1999)	USA (1997)	Japan (1997)
Number of Employees (persons)	2,393	85,840	35,992	70,682	15,324
Economically Active Population (1,000 persons)	22,906	40,121	29,470	143,006	67,650
Economically Active Population per Employee (persons)	9,572	467	819	2,023	4,415

Source: Labor Market Advancement Team (2004), *Methods to Raise Flexibility and Stability in the Labor Market*.

2) In-depth consulting by professional job consultants is needed. As a measure to counter long-term unemployment, if we take Germany as an example, the local employment agencies (LEA) offer broad in-depth consulting and job allocation services to all people seeking jobs or apprenticeships. In-depth consulting includes not only information on career options and hiring prospects, advice services, updates on the labor market situation, vacancies in jobs and apprenticeships, but also information on how to effectively benefit on labor market policies. Also, profiles of job seekers are made to facilitate in-depth consulting and job allocation. Table 6 and Table 7 are examples of the criteria and classification used at the employment support center to approach the unemployed.

Table 6. Profiling Criteria

Standard	Details
Qualification	Educational background, association with labor market, job knowledge and skills, career, human resource management experience, language skills, other social experience
Mobility, Flexibility	Possibility of movement to other regions and countries, market relativity, diversity of desired occupation, working hours, desired wage level
Obstacles to Employment	Health problems, drugs, debt etc.
Long-term Unemployment	Possibility of long-term unemployment of over one year

Source: Insoo Jeong et al. (2006), *Change of Labor Market Policy for Advanced Nations with Per Capita National Income 10,000-20,000*, Germany Section, Table IV-13, re-citation.

Table 7. Classification of Job Seekers

Classification	Status	Content of Service
Prepared for Employment	Highest possibility of employment No obstacles to employment	Services not required
Counseling Beginner	Slight obstacles to employment	Measure mobility and flexibility, basic assistance in seeking jobs, assistance in skill building through short- term training
Counseling Intermediate	Severe obstacles to employment	Long-term vocational training, recommendation of ways to increase mobility and flexibility
Counseling Extreme	Severe obstacles to employment and high possibility of long-term unemployment	Employment program, measures to support social integration

Source: Insoo Jeong et al. (2006), *Change of Labor Market Policy for Advanced Nations with Per Capita National Income 10,000-20,000*, Germany Section, Table IV-13, re-citation.

Seventh, greater subsidy to SMBs to maintain employment.

Efforts to increase the payment of wage support subsidy to SMBs is needed. This is because the employment stability of SMBs is an important factor in the hiring of unemployed high school graduates or below at SMBs. Currently, large companies are usually the beneficiaries of wage subsidy programs. According to the analysis on job creation and destruction, small companies are affected the most in terms of job movement and worker retirement in times of economic recession. This implies that the beneficiary of wage subsidy programs should be changed to SMBs. The Ministry of Labor should seek systematic flexibility for greater benefits to SMBs in terms of wage subsidy programs and regional tripartite committees and business associations should make realistic solution proposals based on active discussions.

References

In Korean

- Jaeryang Nam (August 1997), "Study on the Change of Trend in Unemployment Rate in Korea", Seoul National University Economics PhD Paper, Seoul National University.
- Jaeryang Nam (September 2002), "Youth Unemployment and the Unemployment of College Graduates", The Korean Labor Economic Association 2002 Fall Symposium, Korean Labor Economic Association.
- Jaeryang Nam (February 2006), "Study on the Status of Youth NEET", The 7th Korea Labor Panel Symposium, Korea Labor Institute.
- Jaeryang Nam (April 2006), "The Dynamic Characteristics and Policy Implications of Youth Unemployment", *Monthly Labor Review*, Korea Labor Institute.
- Jaeryang Nam (August 2006), "Status of Youth Unemployment; What is the Cause?", *Citizens and Lawyers*, Seoul Bar Association.
- Jaeryang Nam, Geungwan Ryu, Hyomi Choi (2005), *The Status of the Employment Vulnerable Class and Employment Policy Tasks*, Korea Labor Institute.

- Ministry of Labor (December 2005), "T/F Operation Plan for Countering the Unemployment of Youth with a Background of High School or Below"
- Ministry of Labor Youth Employment Team (January 2006), "Youth Unemployment Measures in Japan"
- Ministry of Labor, Ministry of Education, Small and Medium Sized Business Administration, Ministry of Planning and Budget (April 20, 2006), "Measures to Promote the Employment of High School Graduates or Below"
- Labor Market Advancement Team (2004), *Methods to Raise Flexibility and Stability in the Labor Market*, Korea Labor Institute.
- Seunggyun Oh (2006), "Methods to Enhance Job Training at Vocational Schools", Presentation by the T/F Team for Youth Employment.
- Byunghee Lee, Juyeop An, Byungyu Jeon et al. (2001), *The Status of Transition from School to Labor Market and Policy Tasks*, Korea Labor Institute.
- Japanese Ministry of International Affairs and Communications, *Labor Research Yearbook*, Each Year.
- Japanese Ministry of Health, Labor, and Welfare (November 29, 2005), "Report on the Future of the Dual System in Japan", Presentation by the Ministry of Health, Labor, and Welfare.
- Japanese Ministry of Health, Labor, and Welfare (Job Skills Development Department), Introduction to the "Dual System" (Listed on July 7th, 2006),
<http://www.mhlw.go.jp/topics/bukyoku/syokunou/dual/index.html>.
- Byungyu Jeon, Sangil Lee (2002), *The Unemployment Situation of High School Graduates Out of School and Policy Tasks*, Korea Labor Institute.
- Insoo Jeong (1999), *The Status of Youth Unemployment and Measures to Promote Employment*, Korea Labor Institute.
- Insoo Jeong (2002), *The Status of Youth Unemployment and Policy Tasks*, Commissioned by the Ministry of Planning and Budget.
- Insoo Jeong (2006), "Policy Recommendation for Youth Unemployment in Gyeonggi Province and Measures Against the Unemployment of High School Graduates", Presentation for the Gyeonggi Province Youth Unemployment Symposium.
- Insoo Jeong (2006), "The Cause of Manpower Shortage at SMBs and Solutions", Discussion Meeting on the Direction for Improvement of the Education System to Meet the Demands Industry, Presentation Material, Korea Chamber of Commerce.
- Insoo Jeong (2006), "Job Skills Development Training and Effect in Youth Employment; Focusing on Case Studies", Presentation for the debate on the Evaluation of the Government's Youth Unemployment Measures and Tasks.
- Insoo Jeong (2006), *Regional Labor Market Research II*, Korea Labor Institute.
- Insoo Jeong, Kimin Kim (2005), *Identifying the Status of Youth Unemployment and Policy Tasks by Subject Group*, Korea Labor Institute.
- Insoo Jeong, Jaeryang Nam, Sanghun Lim (2004), *Comprehensive Study on Measures to Tackle Youth Unemployment in the Busan Region*, Commissioned by the Busan Metropolitan City Office.
- Insoo Jeong, Jaeryang Nam, Sungwoo Lee (2006), *The Status of Unemployed High School Graduates or Below and Policy Tasks*, Korea Labor Institute.
- Insoo Jeong, Jinho Yun, Sangil Lee (2006), *Change of Labor Market Policy for Advanced Nations with Per Capita National Income 10,000-20,000*, Korea Labor Institute.
- Insoo Jeong, Byungyu Jeon, Sanghun Lim (2002), *Regional Labor Market Research*, Korea Labor Institute.
- Korea Youth Counseling Institute (2006), "Support Program for Out of School Youth", Presentation material for T/F Team for Youth Employment.
- Donghan Hur (November 2003), "Increase of Youth Unemployment in Japan and Response of the Government", *World Labor*, November 2003 Issue, Korea International Labour Foundation.
- Hosei University Ohora Social Problems Institute (2004), "Problems Surrounding the Employment of Youth", *Japanese Labor Yearbook*.

In English

- Bourdet, Y. and I. Persson (1991), "Chômage des Jeunes et Fonctionnement du Marché du Travail: les cas Français et Suédois", *Economie et Statistique*, No.249 pp.39-51.
- Bourdet, Y. and I. Persson (1994), "Youth Unemployment and Labour Market Policy in France."
- Brunetta, R and L. Tronti (1992), *Capitale umano e Mezzogiorno*, Mulino, Bologna.
- Bruno and Cazes (1998), "Enquête Emploi", Conférence Annuelle de l'EVLE, Varsovie. INSEE.
- Bruno, C. and S. Cazes (1998), "French Youth Unemployment: An Overview", *Employment and Training Papers* No.23, ILO, Geneva.
- Carolea, F. E. and F. Mazzotta (1999), "Youth Unemployment and Youth Employment Policies in Italy", *Employment and Training Papers*, No.42, ILO, Geneva.
- Consiglio Nazionale dell'Economia e Lavoro (1997), *Rapporto sul Mercato del Lavoro* 1996, Rome.
- David G. Blanchflower and Richard B. Freeman (2000), *Youth Employment and Joblessness in Advanced Countries*, The University of Chicago Press.
- Fraser, N (2004), "Introduction: Britain's New Deals", *International Journal of Manpower*, 25(5).
- Marston, Stephen T. (1976). "Employment Instability and High Unemployment Rate." *Brookings Papers on Economic Activity* No.1. (1976): 169-203.
- Mazzotta, F.(1997), "Unemployment and Employment Probability in Italy: Analysis on Microdata", Discussion Paper No.38, University of Salerno, Salerno.
- Nickell, S. and G. Quintini, (2002), "The Recent Performance of the UK Labour Market", *Oxford Review of Economic Policy*, 18(2).
- OECD (1996, 2005), *Economic Outlook*.
- OECD (2001), *Labor Force Statistics*, 1980-2000.

Supporting the Transitions of Vulnerable Youth: UK Perspectives

Andy Furlong

School of Business and Management, University of Glasgow

1. Introduction

As a result of changes in the UK youth labour market, policies relating to the support for youth transitions have become increasingly interventionist. Prior to the mid-1970s, with a relatively buoyant youth labour market, interventions were largely limited to the provision of guidance. With an increase in unemployment and the virtual collapse of the youth labour market in the recession of 1980-1983 a range of support structures were introduced, many of which were both ineffectual and unpopular with young people. During the 1980s and 1990s unemployment rates remained relatively high and many of the jobs traditionally sought by minimum aged school-leavers disappeared. In particular, the loss of jobs in the manufacturing industries removed many traditional apprenticeship opportunities and the range of unskilled occupations available to school-leavers declined. Partly in response to the decline of the youth labour market and the increased demand for skilled and educated workers, patterns of educational participation changed with post-compulsory participation becoming a majority experience.

In many respects, those with poor educational qualifications have seriously lost out as a consequence of the changes in the labour market. Nearly one in two young people now experience Higher Education and this has resulted in a process of qualification inflation with the poorly qualified finding it increasingly difficult to secure quality jobs. Moreover, the shift from manufacturing to service sector employment has resulted in demands for soft skills which employers often perceive as lacking in unqualified school-leavers. While levels of unemployment are currently low, it is recognised that unqualified young people face difficulties in the labour market and often fail to establish secure positions. Various interventions have been developed to try and improve their situation, although in the main they have had limited success. In this paper I provide an overview of changing school to work transitions in the UK, with a focus on the development of interventions aimed at vulnerable youth. I begin by outlining the UK education¹ system, looking at change and describing qualifications, patterns of participation, and at differentiated outcomes. In the following section I focus on changing labour market experiences, with an emphasis on unemployment and insecurity. Finally I outline a range of initiatives developed in the UK, highlighting their strengths and weaknesses.

¹ Within the UK there are some differences in the way education is organised and delivered in England, Wales and Northern Ireland. To avoid providing an unnecessarily complex picture, I only draw attention to key differences in qualifications.

2. Education and Change

Compulsory education in the UK takes place between the ages of 5 and 16 with consideration currently being given to extending to the age of 18. At 16 young people sit examinations in a range of subjects known as Ordinary Grade (or O Grade) in England and Wales and Standard Grade in Scotland and are graded on their performance. While each subject is graded from A-E, grades of A-C are considered to be ‘passes’ while D-E are often regarded as compensatory awards. Those without passes at A-C grades are often referred to as unqualified school-leavers. In general terms, those with 5 or more O Grades at A-C are deemed to have done well and are seen as having the potential to progress to the next stage which is typically a two year course leading to advanced qualifications (Advanced Level or A levels) in about three subjects².

If they decide to remain in education, those who achieved poorer qualifications at age 16 tend to re-take O Grades, take a mixture of O Grades and A levels or move to further education colleges to take vocational subjects. Although there are some alternative routes, A level results are the main mechanism used to allocate university places, with individual institutions setting tariffs for entry into specific subjects. Typically an elite university may require three A grades at A level for entry into its most prestigious courses while a new university may accept a candidate with two passes at grade C.

For those who do not proceed to Higher Education, qualifications are an extremely good predictor of labour market experiences. In general, those who enter occupations providing quality training, either through a formal apprenticeship scheme or through a structured programme leading to a vocational qualification, tend to be those who leave school with reasonable qualifications³. Indeed, many of the most successful early leavers are young people who had the potential to progress in full-time education but who preferred to enter the labour market more directly.

Just twenty years ago, the majority of young people left full-time education at age 16 to enter full-time jobs. This was particularly true of those from working class families. In 1974, for example, around a third (33%) of 16 year-old males and less than four in ten (37%) females participated in some form of post-compulsory education, by 2004 67 per cent of males and 77% of females remained in education beyond the minimum leaving age (Hayward *et al.*, 2004).

Changes in patterns of participation have been triggered by curriculum reform and represent a response to the decline in opportunities for minimum aged school leavers. Qualification inflation also means that more young people now achieve grades that facilitate progression while there are a greater range of educational options available to those whose performance is weaker. In a sense, qualifications, as a marker of educational ‘success’, encourage progression. Hence changes in the curriculum and new forms of examination can be implemented in ways that lead to an increase in participation, even when there is no underlying boost in performance. As post-compulsory educational participation becomes the norm, as it has in the UK, cultural contexts are adapted and groups that once expected to leave education at the earliest opportunity incorporate educational attainment and progression into their frames of reference.

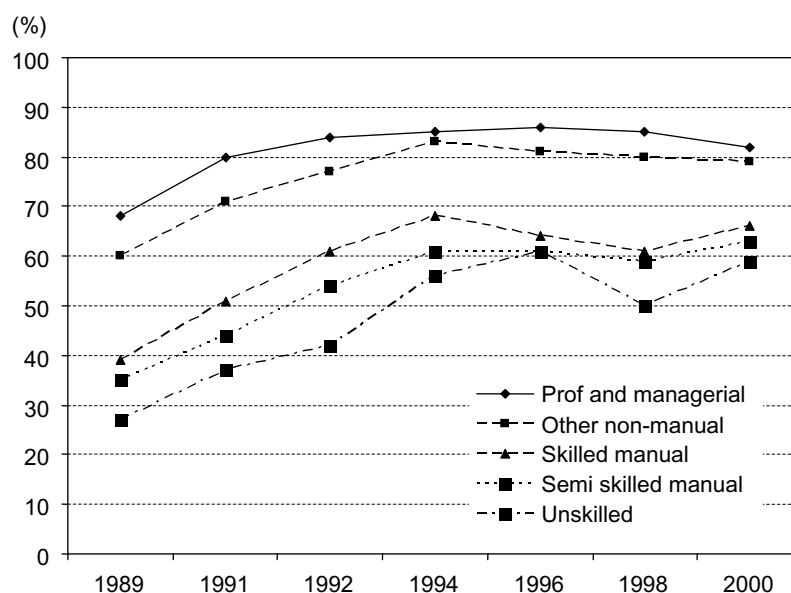
Despite increasing levels of participation in post-compulsory education, there are still strong differentials associated with social class. Between 1989 and 2000, levels of educational participation among 16 year-olds increased among all social classes (Figure 1). Among the

² In Scotland young people follow a slightly broader curriculum and sit ‘Highers’ in four or five subjects.

³ Some of these will achieve the qualifications necessary to secure entry to an apprenticeship or further training at age 16, others will need to re-sit O Grades to improve grades. Employers vary enormously in the qualifications they require from recruits seeking training positions.

manual classes, participation grew by around 30 percentage points, doubling the rate of participation among the unskilled class in the course of a decade. By contrast, expansion among the non-manual classes was much weaker – just 14 percentage points among the professional and managerial classes. However, while the gap between the classes has narrowed, a relatively large gulf still exists.

Figure 1. 16 Year-olds in Full-time Education by Social Class: UK 1989-2000



Source: Hayward *et al.*, 2004.

The maintenance of class-based stratification in educational participation is particularly strongly pronounced in relation to Higher Educational and the recent growth of provision has done little to benefit the working classes. Indeed, between 1991 and 2001 the rate of expansion in the uptake of Higher Education among the non-manual classes was twice that of the lower working classes. In fact over the decade the gulf between the manual and non-manual classes actually increased by seven percentage points (Summerfield and Gill 2005).

Recognising the importance of providing more equitable access to educational opportunities, the UK has recently introduced an educational maintenance allowance for young people from low waged families in order to provide a financial incentive to continued educational involvement and to ensure that affordability does not represent a barrier to participation (Croxford *et al.* 2002). Here, so as to reduce the pressure to leave school and find work in order to contribute to family finances, the government introduced a system of payments to young people who remained at school or college beyond the age of 16. The benefit is means-tested with those from the poorest families receiving the highest payments.

Strong incentives to remain in education also stem from changes in patterns of demand within the labour market, particularly the increase in professional and technical positions and the decline in unskilled jobs in manufacturing. These changes have provided strong source of encouragement for young people to remain in education so as to maximize credentials. A lack of opportunities for early school-leavers has effectively resulted in a ‘discouraged worker’ effect whereby some young people remain in full-time education due to concerns about job availability (Raffe and Willms 1989). Indeed, in some areas the sharp decline in opportunities for minimum-aged school-leavers has produced an army of reluctant conscripts to post-

compulsory education (Biggart and Furlong, 1996).

Increasingly though, changing patterns of employment and the demands of employers for a better educated labour force are affecting educational aspirations and attainments. Subjective orientations towards educational participation were once seen in relatively simplistic terms, essentially as class-based rejections or acceptances of middle class educational cultures and related expectations regarding future patterns of participation in the labour market. Willis (1977), for example, explained the experiences of lower working class boys in terms of their resistance to middle class school cultures which were seen as largely irrelevant to their future lives in manual occupations.

Today the cultural dimensions of decisions about educational participation are recognised as being more complex and tend not to involve such strong cultural-based rejections of the value and benefits of extended education (Biggart and Furlong 1996, Ball *et al.* 2000). The increased emphasis placed on educational attainment in working class families stems, in part, from a growing awareness of the importance of credentials in the modern economy. It can also be linked to the breakdown of a visible dichotomy in the labour market between working class and middle class jobs that has accompanied the decline of manufacturing industry, as well as to a more educated parentage and a trend towards employment in smaller work units where social divisions are less visible. These factors have been linked to the so-called 'epistemological fallacy' of late modernity in which linkages between objective structures of opportunity and subjective interpretations of social position become increasingly tenuous (Furlong and Cartmel 1997).

Among those who are less successful academically (who are predominantly from the working classes) research has shown that many become seriously disillusioned with schooling at an early stage and either lose, or never develop, a motivation to engage with schooling (Ball *et al.*, 2000). In some cases disaffection is entrenched within the culture of the schools where it is almost expected that young people from particular areas or families will leave at an early stage with few qualifications (as is often the case).

It is not uncommon for young people to start to lose interest in school as a result of poor performance in exams and tests in the early stages of secondary schooling. They can lose confidence in their ability and may lack the motivation to learn. Frequently there is a gradual loss of motivation which can be linked to patterns of attainment as well as to the development of outside interests which began to take up more of their time and energy. Among the middle and low attainment groups, attitudes to school are often ambivalent. Young people may appreciate the need for qualifications in order to get decent jobs, but are never stimulated academically and tend to regard school as a chore. These young people often feel that teachers focus on the academic hi-flyers and see themselves as occupying the periphery of a system centred on the needs of the academic elite.

In schools in deprived areas there is often a culture of truancy to which young people have to subscribe in order to be accepted as part of the peer group; the strong pull of the social and cultural environment can be hard to resist (Williamson 2004). In fact those who stand out as being bright or hardworking are frequently seen as 'different' by the peer group, resulting in a cycle of bullying ultimately leading to truancy as the victim seeks to avoid regular contact with the perpetrators. As Williamson notes, in lower working class communities, it isn't 'cool to be clever' (2004: 26) and those who enjoy school have to keep quiet about it so as not to 'lose face' in their peer group (2004: 28).

Decisions at age 16 tend to be coloured by past experience. Young people whose early experiences were very negative often had such bad memories that they refuse to contemplate any form of employment or training that would involve having to return to a classroom situation. The resources that young people are able to access also have a powerful impact on decisions about continued participation. Educational attainments are a key resource: they open up a clear route for progression through the upper secondary school and on to Higher

Education. A good set of qualifications also generate an associated benefit: strong encouragement from teachers for them to remain in education. For middle class pupils this source of support tends to bolster the encouragement that they already enjoy from their families, while for some working class pupils teachers can be the sole source of explicit academic encouragement. However, while teachers often put great efforts into ensuring that educational hi-flyers (*especially* those from less advantaged families) remain in full-time education, there is very little evidence of teachers going out of their way to retain average and low attaining pupils (Furlong, 2005).

When young people's decisions to remain in education are positively encouraged by their families, few seriously contemplate early leaving. Indeed, young people from relatively affluent families often point out that their parents would not permit them to leave education at 16. Moreover, for more advantaged young people, parental encouragement to remain in education tends to be coupled with support from the school.

3. Changing Labour Market Experiences

Over the last couple of decades, young people's experiences in the labour market have changed quite radically. To put their labour market experiences into perspective, I will begin by describing experiences using data from a representative survey of 19 year-olds in Scotland⁴ that was carried out in 2005 (Biggart *et al.* 2005). At age 19, 45 per cent were still in education, with 35 per cent in Higher Education and 10 per cent in Further Education. Around a quarter were in full-time employment (Table 1). Eight per cent were unemployed and 9 per cent were on government sponsored training schemes (which will be discussed in more detail in the next section).

Table 1. Main Activity of 19 Year-olds, by Gender (Scotland, 2005)

Main activity	Male (%)	Female (%)	Total (%)
Full-time job	28	25	26
Training scheme	12	5	9
Higher Education	32	38	35
Further Education	10	11	10
Part-time work	8	9	9
Unemployed	9	7	8
Looking after home	–	3	2
Other	1	2	1
Base (weighted)	1630	1598	3228
Base (unweighted)	1351	1880	3231

Activities at age 19 are powerfully affected by educational qualifications which themselves are strongly conditioned by social class. Of those with no qualifications, for example, 30 per cent were unemployed compared to just 3 per cent of those who had the equivalent of A level qualifications. Among those whose parents held higher managerial or professional occupations, 70 per cent were in full-time education at age 19, compared to 32

⁴ Youth cohort surveys are completed separately for Scotland and England and Wales. For descriptive purposes, differences between Scotland and England are minimal.

per cent of those whose parents worked in unskilled or semi-skilled occupations.

With many managerial, professional and technical occupations largely reserved for those undertaking degree or other advanced courses, at age 19 those working full-time tended to be in routine occupations or training for skilled positions. Among the males, around half were working in craft and related occupations, while around a third were working as semi skilled operatives, in unskilled occupations or working in sales (Table 2). Almost three in four females were working in clerical and secretarial occupations, personal and protective services or in sales.

Table 2. Occupation of 19-year-old Full-time Workers, by Gender (Scotland, 2005)

Occupation	Male (%)	Female (%)	Total (%)
Managers/administrators	0	1	1
Professional	2	2	2
Associate prof/technical	7	4	6
Clerical & secretarial	6	27	15
Craft and related	51	2	30
Personal and protective services	1	30	13
Sales occupations	9	17	13
Plant & machine operators	7	2	5
Other occupations	17	16	17
Base (weighted)	604	446	1050
Base (unweighted)	422	439	861

For both males and females, friends and family are of crucial importance when it comes to finding employment. Four in ten 19 year-olds found their current or last job through family or friends. External sources, such as newspaper advertisements, are also important with 15 per cent finding jobs in this way. One in five found their jobs through government funded agencies such as the Jobcentre or Careers Service; organisations that will be discussed in more detail later.

Table 3. Method of Finding Last Current or Last Job, 19 Year-olds, by Gender (Scotland, 2005)

Method	Male (%)	Female (%)	Total (%)
Job centre	9	10	9
Careers service/advisor	11	11	11
External advert (e.g. newspaper)	13	17	15
Internal advert	3	6	4
Employment agency	1	3	2
Training scheme	4	2	3
Friend or family	42	37	40
Recruitment fair	2	1	1
Internet	2	2	2
Direct approach to employer	5	4	4
Other	9	7	8
Base (weighted)	848	684	1532
Base (unweighted)	578	665	1243

Turning to look more closely at labour market changes, the first point to make is that at the moment levels of unemployment among young people are not particularly high, although there have been recent increases. While youth unemployment⁵ reached 23 per cent in the UK in 1983, it currently stands at around 11 per cent. The reduction in youth unemployment is largely a reflection of overall patterns of demand, but also reflects the development of a range of policies introduced to address problematic transitions that will be discussed later.

Unemployment tends to be disproportionately experienced by those with poor qualifications, those with specific difficulties to contend with (such as health problems, a criminal record or with responsibility for the care of children) and those in weaker labour markets, including rural areas and regions affected by industrial decline. While both academic and vocational qualifications provide some protection against unemployment (especially long-term unemployment) a significant minority of young people face difficulties in finding secure jobs with many of these encountering short but regular periods of worklessness.

Another important trend is the increase in the numbers of young people working part-time, or working in insecure and in non-standard jobs (Furlong and Kelly, 2005). In part, this change can be explained by the increase in the number of students who are mixing work and study, but that's not the whole story. In Europe one in two temporary workers are under 25 and the numbers in insecure jobs are increasing. Some caution is needed here – job tenure is decreasing among young people, but existing research is not clear about the extent that this represents growing precarity in conditions of employment rather than an increased desire for flexibility on the part of younger workers.

In effect, decreasing job tenure is likely to represent a mixture of changing preferences and structural insecurity. Yet as job insecurity seems to be increasing more rapidly among those with low level qualifications, it is likely that the most vulnerable are experiencing the impact of structural change rather than presenting changed preferences. Indeed, some European research focusing on changing preferences found that it was the more educated and affluent young people who were adopting new approaches to working life (du Bois Reymond, 1998). Referred to as 'trendsetters', these young people attempted to combine work and leisure in new ways and were happy to trade security for greater control over lifestyles.

The increase in temporary and unstable work has effectively created a new stage in the transition. For many, first experiences of work are in the temporary or precarious sectors of the labour market. For some, these types of work represent a first step to the more stable sectors of the labour market, but in many cases the transition to stable employment can be a slow one, and for some secure employment will prove elusive. In the UK, MacDonald and Marsh (2005) looked at the experiences of young people surviving in the informal economy in an ex-industrial area. They highlight the normality of such conditions among less advantaged young people. Similarly in Scotland research has provided clear evidence that for many movement from a state of worklessness into regular, reasonably secure, employment is a long drawn out process and tends to involve young people being 'churned' between a series of insecure and temporary jobs, interspersed with further periods of unemployment (Furlong and Cartmel, 2004). From a policy perspective those in a constant state of churn who avoid protracted unemployment – and many of them do – will tend to be overlooked. In the UK very little effort has been directed at attempts to move people who are employed in poor quality or insecure jobs into the stronger sectors of the labour market or into occupations that are more in line with their aspirations.

⁵ The youth unemployment rate here refers to 15-24 year-olds.

4. Assisting Transitions

In the UK, changes in the transition from school to work, and particularly the decline in opportunities for minimum aged school leavers have prompted governments to move from a position that was largely non-interventionist to a situation where the state has become a major provider of training. Prior to the mid-1970s, aside from providing careers advisors and taking some responsibility for the training of those with various disabilities, state intervention in youth transitions was virtually non-existent. This changed as a result of a rapid increase in youth unemployment and public concern about the lack of opportunities for school-leavers. The governments' response to rising youth unemployment was to set up a programme to provide temporary work experience for school-leavers without jobs. In this context, the Job Creation Programme was introduced in 1975 to provide young people with some work experience, although not to provide any formal training. At this stage, a small minority of young people experienced schemes, but in 1978 with the introduction of a new programme, the Youth Opportunities Programme, providing six months of work experience for those who had been unemployed for six weeks, levels of participation grew.

In 1981, Youth Opportunities was succeeded by the year-long Youth Training Scheme (YTS) and in 1986 YTS became a two-year programme (subsequently renamed Youth Training (YT)) and, more recently, Skillseekers. Each of these later schemes aimed to provide a programme of training rather than just work experience. Whereas the first schemes had been underpinned by the idea that an inevitable fall in unemployment would automatically lead to the creation of new jobs for young people, later schemes were developed in the knowledge that changes in the labour market had led to demands for young workers with different types of skills.

The current programme, Skillseekers, is delivered by employers (who receive a training subsidy) as well as by specialist providers (who often train those rejected by employer-based schemes). In general, programmes offered by employers tend to be the best prospects for future employment, largely because some trainees will be absorbed into the employers' workforce at the end of the training period. Skillseekers typically provides training to level 2 vocational qualifications which is roughly equivalent to five O Grades. The scheme has been criticised for not being ambitious enough in terms of the qualification levels it provides, although some trainees have the option of progressing to Modern Apprenticeships which offer training to level 3, which is the equivalent of A level. Modern Apprenticeships are offered in 80 occupational sectors and offer training in crafts, technical skills and trainee management. They are in high demands from young people and typically provide good future job prospects.

Historically, training schemes always attracted a degree of hostility from young people, although the newer programmes have been received more favourably. Four factors explain much of the negativity. First, the compulsory nature of participation whereby those who had been unemployed more than six months had their benefits withdrawn if they refused to participate. This led to resentment about the lack of choice with many wanting to continue to search for 'proper' jobs. Second, the relatively poor training allowance that was set just slightly above the unemployment benefit rate leading young people to describe schemes as 'slave labour'. Third, there was often a lack of choice regarding placements and young people could be trained to work in occupations they had no interest in. Fourth, in areas of high unemployment trainees were aware that many participants experienced further periods of unemployment on completing their schemes. Research tended to support the pessimistic view about the effectiveness of training schemes with some going so far as to argue that youth training had 'virtually no impact' on young peoples employment chances (THES 1994) and others showing that those who fail to find a job immediately after leaving their schemes found it difficult to escape long-term unemployment (Furlong 1993).

In many respects, youth training schemes have formed a bridge between Fordist and post-Fordist labour markets. They were introduced at a time when significant numbers of young

people were leaving school at an early stage and were seeking unskilled positions or training in manual trades. At their peak in the 1980s they accounted for first destinations of the majority of minimum-aged school leavers. Their decline can be linked to a reconciliation between new opportunities in the service and knowledge economy and the emergence of new aspirations and expectations that are more in tune with modern contexts.

Although the increase in participation in education and the relatively buoyant labour market have significantly reduced the demand from 16 and 17 year-olds for places on training schemes, to an extent the changes have postponed rather than overcome the transitional problems of vulnerable youth. The new set of programmes, introduced in 1998 and referred to as the New Deal, provide opportunities for those over the age of 18 who are encountering difficulties in the labour market. The New Deal is different from earlier training schemes in a number of ways. First, it is not targeted specifically at young people. The main programme is designed for those who are 25 and over while the New Deal for Young People is reserved for those between 18 and 25. Second, although participation is obligatory for young people unemployed over six months, it provides participants with a range of choices. Participants can undertake work-based training in specific occupations (subject to availability), can undertake college-based training or can participate in environmental programmes. A more recent modification to the programme also provides opportunities for those who want to follow musical pursuits and provides participants with an introduction to the music industry.

Some of the opportunities provided under the New Deal are located within what is referred to as the 'intermediary labour market'. Intermediary labour markets operate alongside the core labour market and offer opportunities to develop employability skills in an environment that closely represents mainstream labour market experiences. The idea of an intermediate labour market is not to compete with the mainstream labour market or to replace traditional jobs, but to provide additional economic activities, often offering benefits to the community or aiding neighbourhood regeneration. Jobs typically include environmental work such as maintaining footpaths or community work such as decorating the houses of old people. The aim is to 'give those who are most removed from the labour market a bridge back to the world of work by improving participants' general employability' (Marshall and Macfarlane, 2000). With a focus on the long-term unemployed, intermediary labour markets have tended to provide opportunities for adults rather than young people. However, around seven in ten participants are in the 18 to 25 age range. Participants tend to be paid around the minimum wage and are typically offered 12 month contracts. They work full-time, although many programmes will allow time off to search for mainstream jobs, and are usually provided with some training. Childcare may also be provided.

Intermediate labour markets are effectively contexts in which some centrally funded programmes are located and tend to rely on additional funds. Opportunities under the New Deal, for example, are offered within both the mainstream and intermediate labour markets. Intermediate labour markets tend to be developed by local authorities or voluntary organisations and typically need to access funding that is additional to that provided by centrally funded programmes. These additional funds are often secured through the European Structural Fund or through other regeneration programmes.

It is difficult to evaluate the impact of intermediary labour markets as they tend to operate within areas that have suffered from long-term decline and within these areas may recruit individuals who are hardest to place, many of whom will have a history of unemployment and some of whom will face other obstacles such as criminal records. It is recognised though, that intermediate labour markets are expensive and have tended to lack secure sources of funding. The drop out rate is quite high (20 to 30 per cent)⁶, with the rate of

⁶ This is not higher than other labour market programmes.

job placement among those who complete the programme being around 50 per cent (Marshall and Macfarlane, 2000).

Recognising that many potential recruits needed to overcome specific problems or lack the soft skills required to undergo a successful training experience, the New Deal has a linked programme known as Gateway. The Gateway programme aims to prepare potential participants for New Deal participation and to move them closer to the labour market by addressing specific deficits. Gateway is tailored to individual needs and where necessary may try to address drug or alcohol problems or provide basic literacy or numeracy skills. The introduction of a gateway programme arose due to the recognition that many of those experiencing long-term unemployment at this time (when the labour market was relatively buoyant) were not always ready for direct entry to jobs but needed some intermediary preparation. The type of preparation needed tends to be highly variable and extends from the development of soft skills such as self presentation or timekeeping up to major drug issues or mental health problems that might require referral to specialist services.

The ability to offer solutions that are tailored to individual needs requires in depth knowledge of young people, their aspirations and the nature of the barriers they face. Traditionally knowledge of young people had come from two sources. First, the Careers Service whose primary job was to help school-leavers find suitable opportunities in employment, education or training. This tended to be a 'light touch' intervention in which, aside from a short interview prior to leaving school, the onus was largely with the young person to approach the Careers Service in order to seek help and advice. Second, the Social Security office that made payments to young people who were unemployed. Registered unemployment and the receipt of benefits placed a requirement on the young person to put themselves forward for help and advice by presenting regularly (usually fortnightly) at the Careers Office (or the Jobcentre for those over the age of 18).

Effectively the payment of unemployment benefits to young people without work meant that they were known to the system. In turn, they could be targeted for assistance and 'persuaded' to join training schemes or to return to education. However, partly due to a concern to reduce the numbers in receipt of benefits but also due to concerns about 'abuse' of the system of payments by 'workshy' youth, the system of benefits for young people was changed. Prior to the late 1980s, those 16 or over were able to claim unemployment benefits, although there were benefit sanctions in place for those who refused the offer of employment or training. This was changed in 1988 when unemployment benefits were withdrawn from 16 and 17 year-olds while those between 18 and 25 had their benefit levels reduced. The overall aim was to remove the 'option' of unemployment from young people and drive 'workshy' youth into productive activities. The action also had political benefits in that 'abolishing' youth unemployment benefits removed the need to publish a, politically sensitive, youth unemployment count.

These changes were accompanied by the introduction of new terminology. Rather than referring to workless youth as unemployed, the term NEET (not in education, employment or training) was introduced. While they overlap, NEET and unemployment are terms that have different focuses. NEET, as used in the UK, is quite different from its interpretation in Japan. NEET in the UK is a broad, heterogeneous, category while unemployment is a term that has traditionally been used to refer to a much more tightly defined group. Like unemployment, NEET includes young people who are available for work and are actively seeking employment, but unlike unemployment also covers those who are not available or not seeking work. Groups such as the long term sick or disabled or those with responsibilities for the care of children or relatives who may not be available for work are covered by the term NEET, as are those those who are not seeking work but pursuing other interests, resting, developing skills in an unpaid capacity through voluntary work or taking time to travel. Effectively NEET combines those with little control over their situation with those exercising choice, thereby

promoting a state of confusion about the factors associated with an apparent state of disadvantage (Furlong, 2006). The sub-groups contained within the NEET category have very different experiences, characteristics and needs. Groups of vulnerable young people who require distinct forms of policy intervention in terms of welfare or training provision are grouped with the privileged who may not require any assistance to move back into education or employment.

Effectively by grouping these various categories of experience, it becomes very difficult to identify those in need of specific interventions and this can tempt observers to use the characteristics of a sub-group to refer to members of the broader group. This problem is exacerbated by process of disconnection that potentially arises when young people are no longer required to register to claim benefits and are therefore not automatically channelled to sources of advice. On the positive side, the political construction of the NEET group brought social exclusion firmly onto the policy agenda. It forced policy makers to think of new ways to engage with a group of vulnerable young people who had become disconnected from sources of potential assistance.

In England, the solution that was introduced was referred to as 'Connexions' which aimed to provide 13-19 year-olds with access to a package of opportunities and advice relating to education and employment, with a particular emphasis on helping young people fulfil their potential by overcoming any barriers they faced. Setting out to provide a holistic service, it resulted in some merging of what once had been separate functions: the Careers Service which was focused on providing advice relating to jobs and education and the Youth Service who were mainly concerned with social and emotional support and informal education.

'Connexions is about helping young people navigate their way through decisions about studying, jobs and careers. Through youth work it's about helping young people get the personal development opportunities they need to fulfil their potential and become the active citizens of tomorrow. It's also about helping those who have problems with drugs, alcohol, depression, are homeless or at risk of becoming homeless.' Connexions Service (2002).

Under Connexions, all young people are allocated a personal advisor, with those who are most vulnerable or who face the greatest hurdles tending to receive the most support, including access to specialist services if appropriate. Groups who would be provided with intense or specialist support include ex-offenders and those with chaotic lifestyles, those with learning difficulties and those with mental health issues all of whom would be identified by the personal advisor. Personal advisors also deal with issues such as lack of confidence, low motivation or poor self presentation and are required to work with young people to help them identify and overcome any barriers they may face in the course of their transitions. Although acute social withdrawal (referred to in Japan as the *Hikikomori* phenomenon) is extremely uncommon in the UK, personal advisors would be in a position to identify young people who had withdrawn or were in danger of social isolation and would be responsible for exploring methods of reintegration.

'One of the cornerstones of the service is its staff, known as Personal Advisors. Their role is to really get to know the young person and offer appropriate information and guidance. Personal Advisors keep in close contact with the young people they are supporting. They help smooth a young person's path through difficult choices and understand what's on offer.' Connexions Service (2002).

From a youth perspective, a survey of over 16,000 young people (Connexions 2003) showed that 91 per cent were satisfied or very satisfied with the service, 90 per cent thought that Connexions has a lot to offer and 86 per cent said that it had helped them to identify all of

the options that were open to them. Qualitative research has also provided rich evidence relating to the ways in which Connexions has helped vulnerable groups and been able to provide very intensive support to those facing severe barriers. However, many young people lose contact with their personal advisors at an early stage and advisors may remain unaware that an advisee is encountering difficulties unless they come forward asking for help or advice.

5. Conclusion

To summarise changing transitions and to highlight implications for policy, I want to highlight five points. First, modern youth transitions take much longer to accomplish. The smooth, rapid transitions from school to work which were once made by the majority of young people are a thing of the past. Whereas many young people once occupied fairly settled labour market positions at the age of 16 or 17, today many young people fail to get established in the labour market by their mid-20s.

Second, linked to this greater protraction and to the development of new routes between school and work, transitions have become much more complex. Routes can be mixed and overlap and backtracking has become more common as people move between education, training, unemployment and jobs. In this context the term ‘yo-yo’ has been used to describe modern youth transitions (EGRIS, 2001). The greater complexity of transitions also makes it more difficult for young people to predict outcomes or to develop an accurate sense of where various pathways are leading – and this can make it difficult for them to make plans or assess their progress towards goals.

Third, this complexity and unpredictability leads to a situation where young people can feel that they are constantly confronted by risk. In fact social theorists such as Ulrich Beck (1992) have described modern society as a ‘risk society’ in which life’s predictability has begun to break down. For young people it’s important to stress that subjective perceptions of risk don’t necessarily reflect underlying objective risks. Even those whom outside observers might regard as following fairly safe and predictable routes can feel that they are at risk. In one study of high achieving girls from privileged families (Walkerdine *et al.*, 2001), for example, it was found that constant worry about failure and uncertainty about future life events was common.

Fourth, the breakdown of mass transitions combined with the fact that routes tend to be so complex that few young people can identify others who follow exactly the same routes as themselves has meant that transitions can be described as individualised. The individualisation of transitions has important implications as it means that young people are less likely to learn through the experience of others, but also means that risks become internalised leading to self-blame and stress.

Fifth, it’s important to be aware that while youth transitions have changed quite radically and while young people feel that outcomes are unpredictable, in a macro sense, patterns of inequality have been maintained. What might appear to be an increase in opportunities for many young people have actually provided little in the way of new routes to advancement nor have they resulted in a dilution of existing cycles of inequality.

On a policy level, each of these themes has implications. Increased protraction means that interventions have to be holistic and not confined to people of certain ages. Increased complexity means that it is difficult to identify meaningful endpoints and young people who at one stage might have seemed to have achieved some degree of intervention may later encounter significant obstacles to progression. Young people themselves are experiencing a heightened sense of risk, they need new support structures because they lack effective route maps to navigate the modern labour market and can find that parents and relatives have little knowledge of contemporary contexts.

In the UK, despite the positive interventions that have been developed, an issue that is becoming central to the provision of an effective service to young people relates to the increasing precarity of employment and the fragmentation of experiences. There is still a tendency to think of the labour market in terms of a dichotomy between the employed and the unemployed or between participants and non-participants. In reality the complexity of the modern labour market means that we have to be able to see behind categories of experience that were once clearly understood. In particular, many early school-leavers will enter jobs that lack long-term security and which tend to be characterised by poor training and low wages. Young people may move into temporary and insecure sectors of the labour force without experiencing a period of worklessness and they may move rapidly from school to poor quality training programmes.

A move into work or training or continued participation in education does not necessarily signify a lack of vulnerability or the absence of a need for quality training to sustain future career development. Yet modern interventions are largely triggered by periods of worklessness and advisors are not likely to be aware of those who require assistance to move into new areas of employment or who are seeking ways to build on earlier training. An effective modern programme must focus not just on worklessness, but on insecurity, underemployment and poor quality work. There needs to be a greater emphasis on progression and fulfilment and ensuring young workers have the skills to shape their careers and mobilise capacities in contexts that can appear hostile and unpredictable.

References

- Ball, S. J., Maguire, M. and Macrae, S. (2000). *Choice, Pathways and Transitions Post-16: New youth, new economies in the global city*, London: Routledge-Falmer.
- Beck, U. (1992). *Risk Society. Towards a New Modernity*. London: Sage.
- Biggart, A. and Furlong, A. (1996). 'Educating 'discouraged workers''. Cultural diversity in the upper secondary school', *British Journal of Sociology of Education*, 17: 253-66.
- Biggart, A., Dobbie, F., Furlong, A., Given, L. and Jones, L. (2005). *19 in 2005 – Scotland's Young People: Findings from the Scottish School Leavers Surveys*, Edinburgh, Scottish Executive.
- Connexions Service (2002). *Connexions at a Glance*, Nottingham, Department for Education and Skills.
- Connexions Service (2003). *Modernising Youth Support: Changing Lives*, Nottingham, Department for Education and Skills.
- Croxford, L., Howieson, C., Lanneli, C. and Ozga, J. (2002). *Educational Maintenance Allowance (EMAs) Evaluation of the East Ayrshire Pilot*. Edinburgh: Scottish Executive.
- du Bois Reymond, M. (1998a). 'I don't want to commit myself yet: young people's life concepts', *Journal of Youth Studies*, 1: 63-79.
- European Group for Integrated Social Research (EGRIS) (2001). 'Misleading trajectories: Transition dilemmas of young adults in Europe', *Journal of Youth Studies*, Vol. 4, pp. 101-118.
- Furlong, A. (2006). 'Not a very NEET solution: Representing problematic labour market transitions among early school-leavers', *Work, Employment and Society*, 20, pp.553-569.
- Furlong, A. (2005). 'Cultural determinants of decisions about educational participation among 14-19 year-olds: The parts Tomlinson doesn't reach', *Journal of Educational Policy*, 20: 379-389.
- Furlong, A. (1993). 'The Youth Transition, Unemployment and Labour Market Disadvantage: Gambling on YTS', *Youth and Policy*, Vol.41 (2) pp.24-35.
- Furlong, A. and Cartmel, F. (1997). *Young people and Social Change*, Buckingham, Open University Press.
- Furlong, A. and Cartmel, F. (2004). *Vulnerable Young Men in Fragile Labour Markets*. York: York Publishing.
- Furlong, A. and Kelly, P. (2005). 'The Brazilianization of youth transitions in Australia and the UK?', *Australian Journal of Social Issues*, 40: 207-225.

- Hayward, G., Hodgson, A., Johnson, J., Keep, E., Oancea, A., Pring, R., Spours, K. and Wright, S. (2004). *The Nuffield Review of 14-19 Education and Training: Annual Report 2003-04*. Oxford: Department of Educational Studies, University of Oxford.
- MacDonald, R. and Marsh, J. (2005). *Disconnected Youth? Growing Up in Britain's Poor Neighbourhoods*. London: Palgrave.
- Marshall, B. and Macfarlane, R. (2000). *The Intermediate Labour Market: A Tool for Tackling Long-Term Unemployment*. York, Joseph Rowntree Foundation.
- Raffe, D. and Willms, J. D. (1989). 'Schooling the discouraged worker. Local labour-market effects on educational participation', *Sociology*, 23: 559-81.
- Summerfield, C. and Gill, B. (eds.) (2005). *Social Trends, No.35*. London: Office for National Statistics.
- Times Higher Educational Supplement (THES) (1994). Youth Training Fails the Grade, (2nd September).
- Walkerdine, V., Lucey, H. and Melody, J. (2001). *Growing Up Girl: Psychosocial Explorations of Gender and Class*. London: Palgrave.
- Williamson, H. (2004). *The Milltown Boys Revisited*, Oxford: Berg.
- Willis, P. (1977). *Learning to Labour*, Farnborough: Saxon House.

School to Work Transition in Sweden

Oskar Nordström Skans

IFAU–The Institute for Labour Market Policy Evaluation

1. Introduction

The questions asked in the Swedish Labour Force Surveys changed during 2005 in order to harmonize the statistics with Eurostat guidelines and make the numbers comparable with those for other countries. This resulted in youth unemployment numbers in excess of 22 percent as published by OECD in 2005. This adjustment – although in essence a statistical artefact – came in a period during which youth unemployment was increasing and the result was a growing awareness of youth unemployment problems in Sweden. Given Sweden's history as a low unemployment country, such high unemployment numbers have led to an intense debate on how to reduce the youth unemployment and how current policies can be adjusted to this end.

Most commentators also agree that the debate on unemployment, and in particular youth unemployment, in a period with strong GDP growth was the main cause of the change of political majority in the late 2006 which ended a 12 year period of social democratic government. Due to the change of government a wide array of political reforms associated with the transition between school and employment are being discussed – reforms touching on both the schooling system and various labour market policies.

This short text outlines and discusses the main features of the current Swedish system affecting the transition into work for young people who do not proceed to higher education in Sweden. The text is outlined as follows. First, we describe in some detail the Swedish education system. Second, we describe institutions and the general state of the Swedish labour market. Third, we describe labour market policies for unemployed youths. In each section we focus on the elements affecting the transition into work for young people in Sweden, discuss potential problems with the current Swedish system and highlight some of the institutional changes that have been announced. We end the text with a summary.

2. Education

2.1. Overview

This section briefly discusses the Swedish education system such as it has been designed since the mid 1990s. The focus is on education from the start of compulsory education at age 7 to the end of upper secondary education at age 19, although there are large scale publicly financed educational components both before and after this age interval. In order to understand some of the quirks and challenges facing the upper secondary education it is also necessary to briefly describe the system of tertiary education.

Although the great mass of children starts participating in various educational pre-school activities earlier formal compulsory schooling starts at age 7.¹ Schooling is compulsory for 9 years, and thus ends at age 16. Exemptions from this timeline are few – and mainly refer to

immigrants arriving to Sweden relatively late in their schooling age. The curriculum at this stage is quite standardised and focus on general “academic” skills. The system is thus generally inclusive and there is no tracking and very little is offered in the way of professional training at this stage.

After completing compulsory schooling, roughly 98 percent of the students proceed to a 3 year long upper-secondary school. Starting upper secondary education means choosing between a wide set of different educational tracks, or “programs”. Currently there are 17 national programs and numerous regional special programs. There are two broad types of programs – academic and vocational – each of which caters for about half of the student body.

The vocational programs in most cases provide fairly specific professions – there are e.g. programs for construction workers, electricians, hair dressers and health care personnel. Some are however less clearly oriented towards the labour market such as the Arts program and the Media program. The gender segregation is extensive between the various vocational programs.

The other main category of programs – the academic programs – are mainly targeted at students who wish to progress to higher education. These programs are naturally broader but have some specializations on fields such as social science, science or engineering.

After a reform during the mid-1990s – students of all programs, including the vocational ones, are required to take a general set of core courses in Swedish, Mathematics, English, Science, Religion, Social science, Arts, and Physical education. Passing these courses is required in order to have a complete diploma – and doing so will grant eligibility to apply for higher education.

When applying for upper secondary education, students apply directly to a program (at a certain school) before starting higher education. Transitions between upper secondary education and higher education are frequent but slow. Between 40 and 50 percent of a cohort start some form of higher education before age 25, but less than half go directly or within one year after high school graduation (see Holmlund et al, 2006 for a discussion). It should also be noted that some of these students only attend single courses and that graduation rates thus are much lower. Women are slightly overrepresented among students in higher education.

2.2. Organisation and Financing

Education in Sweden is tuition free at all levels, including university. In addition, study allowances are paid to all students, irrespective of e.g. parental income. At upper secondary education all students are granted a tax-free study allowance currently (2007) corresponding to 1,100 € per annum. Allowances can be withheld if the student is excessively absent, although practices vary substantially between schools. Students participating in higher education are granted a tax-free allowance and a subsidised loan during six years of study (2,700 € and 5,200 € per annum respectively). These allowances are reduced if the own labour income is too high or the study performance is inadequate.

General educational plans and regulations are set, and monitored, at a national level. Compulsory education and upper secondary education are however provided for by the 290 municipalities – the average population is approximately 30,000 per municipality, but the size varies substantially. There is an increasing amount of school competition in Sweden. Private non-profit organisations have the right to start tuition free schools with public funding. Students are therefore allowed to participate in private compulsory and upper secondary schools within the municipalities. They also have the right to participate in education outside the municipality if a corresponding education is not provided within. In both these cases the

¹ More precisely, during the calendar year in which the child will turn 7. The ages we refer to throughout this section is always the age at the end of the year.

municipality of origin is required to provide financing. This means that schools compete for students, sometimes by providing non-standard programs with features that are attractive to the students (e.g. with an international component, with good opportunities of practicing sports or music, with a specialization in media, web design, etc).²

Higher education, in the form of universities or colleges, is standardized on a national level. Few universities are private and all are under the supervision of a national agency. Applications to most higher education are handled simultaneously by a national board. Recent evidence shows that, in contrast to many other countries, post-college wages do not differ depending on which school the students graduate from conditional on the chosen program, grades and parental background (Eliasson, 2006). The wages do however vary substantially between graduates from different types of programs so grades may be important for students wishing to participate in a particular program.

2.3. Choosing Field of Education

When students apply to upper secondary education they compete against each other for slots in schools and/or programs within these schools. The selection criteria are mainly based on location (e.g. allocation to the closest school within the municipality) and/or compulsory school grades. The municipalities may determine the exact rules and thus the relative importance of these two components. The overall governing principle is however that a student should be given the opportunity to participate in the *program of preference* if at all possible. This objective, together with the fact that schools compete for students, make student preferences a key element in determining the final educational mix.

Given that student choices are important for the final educational composition of the graduates entering the labour market, it is important that the choices are made on rational grounds. Although survey evidence suggests that students consider the expected labour market outcome is an important determinant of their choices, and the existence of a growing number of publications describing the labour market success of past graduates, it is not obvious that there is a strong connection between choices and actual performance. The system also gives career planners a crucial role of suggesting routes with a reasonable chance of success. Little is known how well they tackle the difficult task of weighing individual preferences against expected labour market success.

Åslund et al (2006) study the relationship between higher education, labour market entry and the students' selection of university program. They find a strong correlation over time in the types of education from which students succeed with their labour market entry. Despite this, they find no correlation between the rate of success and the entry grades – suggesting that student educational choices (for higher education at least) is to a great extent *not* governed by expected labour market outcomes.

2.4. Second Chances

As noted above, nearly all compulsory-school graduates start upper secondary education, even though it is voluntary. The “individual program” at upper secondary school explains part of this. This program caters for those approximately 10 percent of compulsory school graduates who do not have complete grades in the core subjects (Swedish, English and Math) as well as some students not admitted to any other program. These students start upper secondary school on the basis of an individually designed curriculum with the first goal of

² In total 30 percent of students were in programs other than the national programs in 2005/2006 (Skolverket, 2006). 13 percent were in private schools. 10 percent studied in special programs, i.e. in municipality provided programs other than the national programs, and the remaining 7 percent were in “individual programs” (see Section 2.4).

completing the compulsory school curriculum and then transit into completing some of the general programs of the upper secondary education. A minority of these students actually manage to complete upper secondary education before age 20.

Table 1. Distribution of Achieved Education at Age 20 and 23 for Cohort Born in 1980

Age	Statistic	Compulsory ^A	Upper secondary		Tertiary	
			Incomplete grades ^B	Complete grades ^C	< 3 years	≥ 3 years
20	Fraction (all)	0.157	0.104	0.655	0.083	0.000
	Age of completion	16.16	19.01	19.14	19.98	-
	Fraction (males)	0.174	0.120	0.646	0.059	0.000
	Fraction (females)	0.140	0.087	0.664	0.109	0.000
23	Fraction (all)	0.111	0.132	0.405	0.260	0.093
	Age of completion	16.13	19.66	19.23	22.71	22.87
	Fraction (males)	0.123	0.152	0.430	0.229	0.067
	Fraction (females)	0.099	0.111	0.379	0.292	0.119

Source: Own calculation on population wide register data of completed education from the IFAU data base.

Note: Age of completion is the age of the highest achieved education which may include incomplete studies (especially in the first two columns). 3.6 (3.3) percent are not classified at age 20 (23) – these are dropped. 1.2 (6.6) percent miss information on age at highest achieved education at age 20 (23). ^AIncluding incomplete post compulsory education if shorter than half a year. ^BAt least half a year post compulsory education, with incomplete grades or shorter than three years. ^CThree years long post compulsory education with complete grades.

Students who are below age 20 and who have not completed their upper secondary education are considered as drop outs and it is clear all interventions targeted at this group are intended to encourage them to go back to school. Financially they are under the responsibility of their parents although they are not considered as minors after age 18, but the municipalities have a responsibility to follow these individuals and to encourage them to finish their education.

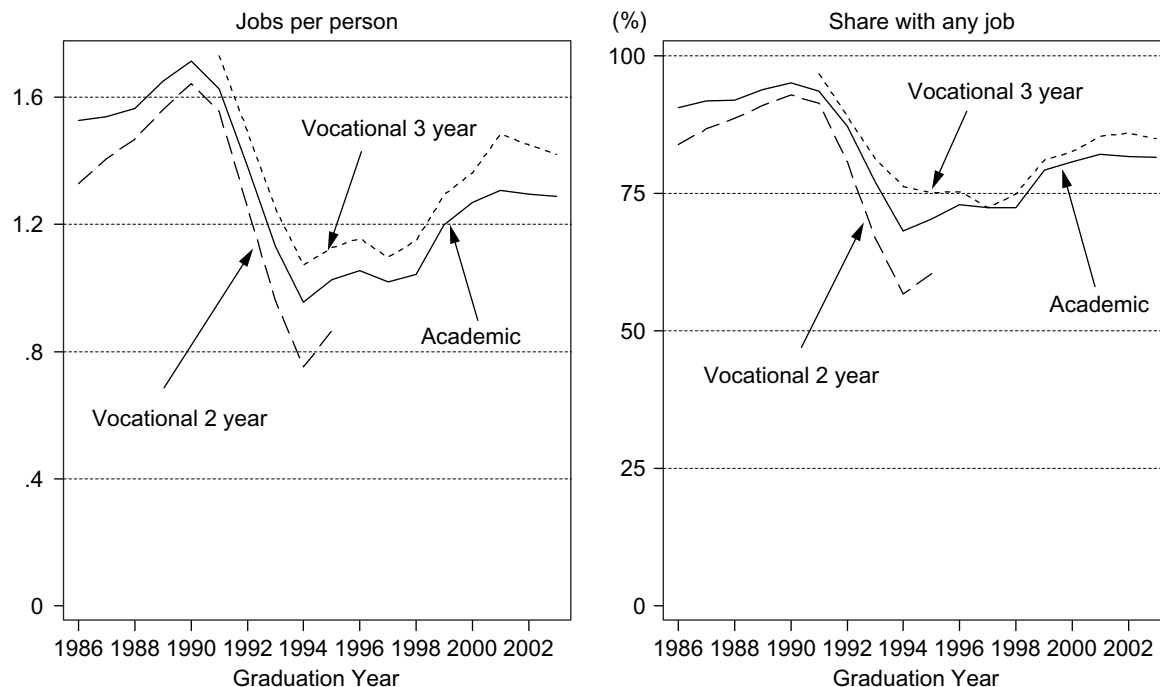
In total, approximately one third of a cohort does not finish upper secondary school with complete grades within the normal time frame (i.e. at age 19) after an additional year the number drops to one fourth. Students who fail their studies and are above age 20 are given the opportunity to complete their education within the extensive “adult education framework”, initially set up as a system for life long learning. As in all other parts of the Swedish education system, participation is tuition free and study allowances are paid to the students.

The adult education system has an unintended effect in terms of increasing dropout rates. When applying for higher education, students apply not only for the school (university) but also for the type of education. Grades matter for admission in particular for those who wish to participate in popular types of educations, such as medical doctors programs, or journalist programs. Grades are “absolute” in the sense that they are set relative to a “target” in terms of knowledge. Students are allowed to improve their grades by retaking the same subjects within the adult education framework after completing upper secondary education. However, there is rationing of slots within this system and those who fail their upper secondary education are given priority. Thus, students with high ambitions who are unhappy with their performance (or more precisely, their expected grades) may purposely fail to complete upper secondary education for strategic reasons.

2.5. Work Experience While in School

All vocational programs should contain a minimum of 15 weeks of workplace practice. The practice should be part of a broader pedagogical curriculum. Evaluation shows, however, that the practice component in reality is much smaller in many cases (DS, 2000). Nearly half of the students are not given the required *minimum* amount of practice. Criticisms have also been raised regarding the pedagogical content of the practice component. This lack of compliance with formal rules must be understood in the context of the decentralized schooling system, where centrally determined objectives are to be implemented by municipalities and schools acting with discretion within their own budgets.

Figure 1. Jobs per Graduate the Year before Graduation from Upper Secondary School

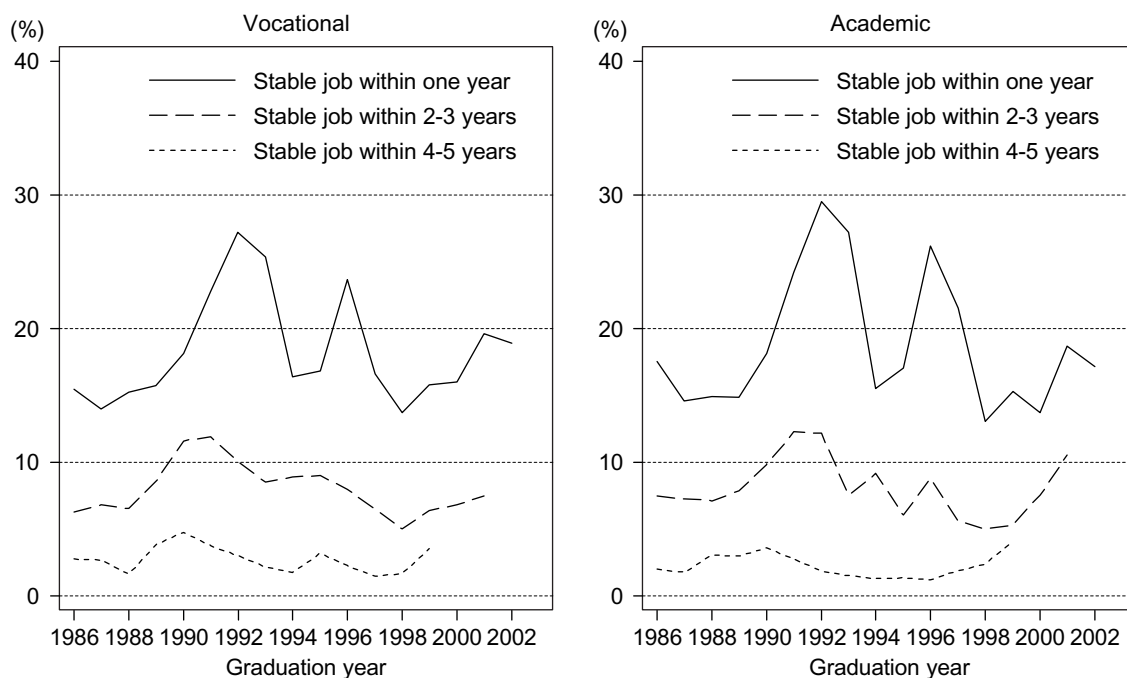


Source: Åslund et al (2006).

Note: A job is defined as receiving payment from a specific employer. Vocational programs were prolonged from 2 to 3 years during the first half of the 1990s. The time pattern is highly correlated with unemployment (see Figure 4 below for the matching unemployment statistics).

Given the amount of evidence suggesting the importance of contacts and networks in the job-finding process – it is likely that the work practice is important. An alternative way of creating a network of references for students is through summer jobs and other casual jobs held while in school. Although it varies with quite dramatically with the business cycle, roughly 80 percent of graduates from upper secondary school have some employment in the calendar year preceding graduation. The differences between vocational and academic programs are small. On average, the students receive wages from 1.3 different employers per individual the year before graduation. The importance of these jobs is illustrated by the fact that 20 percent of those who have a successful labour market entry directly after upper secondary school work at the same establishment where they held a summer job or a casual job during their last school year.

Figure 2. Fraction of Those Finding a “Stable Job” within Various Time Frames Who Worked within that Establishment the Year before Graduation from Upper Secondary School



Source: Åslund et al (2006).

Note: A “stable job” is defined as earning at least half the median income of 45 year olds (approx. 7 monthly minimum wages) during a calendar year.

2.6. Discussion

The Swedish upper secondary education system is ambitious in many dimensions. It requires that all students pass an ambitious set of core courses at a level which is sufficient for entry into higher education. Furthermore, it is a clear ambition that all students in a cohort should complete this curriculum. At the same time, the educational system should provide vocational training for students in various fields such as construction work, auto mechanics and health care for those that choose these educational tracks.

To combine these goals, an ambitious system of second chances is set up. Ten percent of students fail their core subjects already during compulsory schooling – these students are allowed to enter upper secondary school on the premise of an “individual” program which allows them to complete their compulsory school education and then transit into a normal upper secondary school program which about 38 percent of the students do within one year (Skolverket, 2006).

Many students drop out of upper secondary school – or finish their education with incomplete grades. These drop-outs are encouraged to go back to school – and those with incomplete grades are encouraged to complete their education, either within the normal schooling system or within a special adult education framework.

Although it is clear that the high ambition, and the extensive, second chance system have some good merits, there are problems as well. Despite the many second chances, 25 percent of a cohort do not finish their upper secondary education despite the fact that the process takes up substantial amounts of time in many cases. Immigrants are strongly overrepresented among those failing – but a substantial share of students with two native born parents also fail (see the Appendix). It is not clear that the system provides the optimal time-use for vulnerable groups. The ambitious curriculum places a hurdle which may be unnecessarily high for

groups which mainly are interested in a learning a profession and progressing into the labour market. The system does not provide any alternative “fast track” to work for those with poor school performance or little interest in formal schooling. The benefits of the academic curriculum also appear small for this group since only a minor fraction of graduates from the vocational programs transit to higher education.

The system of second chances can be misused. As with all forms of insurances, there is a risk of poor performance simply because of an expected future bail-out. As a further complication, ambitious students may purposely fail their courses in order to qualify for adult education and a second try where they may expect to perform better. This places a strain on educational resources and a delay in the labour market entry of some groups.

The change of government in the fall of 2006 suggests that some reforms are to be expected. It has been announced that a wider array of programs will be organised – some of which will be placed on site at workplaces to a larger extent. The grading system and admission system to higher education will probably be reformed – it is not yet clear how, however.

The labour market connection of upper secondary education could probably be strengthened in many dimensions. The workplace practice is by most observers considered to be a very important part of the vocational programs – yet it does not materialize as required. Summer jobs (or other casual jobs held while in school) are frequent and may fill the gap left from lack of workplace practice. Data suggest that they do play a role as a bridge into regular employment. There are however reasons not to rely on these jobs as the sole bridge between school and work. First of all, all casual jobs are extremely sensitive to the business cycle – suggesting that the importance of work practice arrangements increases in bad times. Second, casual jobs are often distributed through social contacts, probably even more so than regular jobs. This means that students who lack contacts either because they have made a different career choice than their parents, or because the parents are unemployed may be left without jobs, or at least without jobs which are related to the field of education. As shown in Table 2 below, students with unemployed parents have a significantly lower probability of working while in school.

As a policy for introducing children to working life, most Swedish municipalities provide a few weeks of low paid employment during the summer months for upper secondary school students unable to find other jobs. The jobs are often rationed. Wang et al (2006) study these jobs in a municipality were the jobs allocated through a lottery. They find no significant long run difference in outcomes between those who received a job and those that did not. Even though the statistical precision was quite low, this seems to suggest that the short and often seasonally oriented summer jobs provided by the municipalities do not help students to enter the labour market.

The Swedish school system encourages students to choose education based on their preferences and the municipalities are expected to cater for these preferences as much as possible. Since schools in reality compete for students, this creates an educational mix that to a large extent is a function of student choices and preferences. The resulting mix of specializations is therefore not directly related to the needs of the labour market. In addition, some observers (e.g. LO, 2006) claim that expensive programs (such as many of the vocational programs) are under-dimensioned. Programs with an appeal to students’ interests but little labour market orientation, such as the media program, tend to be over-dimensioned relative to the needs of the market. An important challenge is thus to find ways of properly dimensioning the educational system so as to combine students’ interests and labour demand in world of free school choice and between-school competition for students. The challenge of combining student choices with labour market outcomes have inspired many commentators (e.g. Åslund et al, 2006) to suggest that better statistics regarding the labour market outcomes associated with various educational tracks should be made available for students in the

process of choosing education. Improvements are in the process, but the key question of whether this will affect the actual choices of the students still remains however.

Table 2. Probability of Working during the Year before Graduation depending on Parental Employment

Parental employment:	All students	Male students	Female students	Share of sample (both gender)
Both parents employed	Ref	Ref	Ref	0.789
Father but not mother employed	-0.045 (0.005)**	-0.048 (0.008)**	-0.043 (0.006)**	0.096
Mother but not father employed	-0.028 (0.005)**	-0.048 (0.009)**	-0.010 (0.005)*	0.082
No parent employed	-0.097 (0.009)**	-0.081 (0.015)**	-0.108 (0.012)**	0.032
Constant	0.911 (0.001)**	0.876 (0.002)**	0.945 (0.002)**	
N	61,447	29,887	31,560	

Note: Estimates from linear probability model. Dependent variable is the probability of having a job the year before graduation for students graduating with complete grades at age 19. Estimates control for the interaction of program and municipality. Standard errors are within parentheses. **(*)estimates are statistically significant from zero (both parents employed) at the 5 (10) % level.

3. The Swedish Labour Market³

3.1. Unions and Wages

A high degree of union membership is an integral part of what has been referred to as the Swedish Model. Indeed, labour legislation concerning employment protection and worker co-determination is based on the presumption that the overwhelming majority of the workers are union members. Union density in Sweden has hovered above or around 80 percent of the number of employees over the past couple of decades. The coverage of collective agreements is even higher as the collective agreements typically are extended to non-union workers. Sweden has not experienced the trend decline of union density visible in many countries.

Post-war wage determination in Sweden has frequently been associated with centralized wage bargaining as well as so-called solidarity wage policy. Nationwide coordination of wage negotiations was implemented from the mid-1950s and continued for almost three decades. The guiding principle for the wage policy was “equal pay for equal work”. In theory, the policy recognized the need for wage differentials among workers so as to reflect differences in qualifications. In practice, there was also a clear egalitarian ambition amongst the labour movement. The centralized wage negotiations came under increasing pressure during the late 1970s when some employer organizations argued that the central frame agreements left too little room for flexibility at the local and industry level. Wage negotiations after 1983 have mainly taken place at the industry level, although various coordinating institutions have been set in place during the 1990s in order to avoid excessive wage pressure.

³ This section draws heavily on Skans et al (2006).

The Swedish system with union bargaining and relative wage compression may create problems for the outsiders who are in the process of entering the labour market. There are no legislated minimum wages but collective agreements stipulate minimum wages for nearly all workers. According to Skedinger (2005), Swedish minimum wages as determined by the union contracts are relatively high by international standards which may pose a problem for entering groups.

There exist some formal trainee systems for introducing and certifying graduates from upper secondary school into the labour market, but since these systems are to be determined through collective agreements between the labour market parties there is a large variation between industries. Surveys (e.g. LO, 2006) clearly show that trainee agreements mainly are present in the male dominated industrially oriented professions of the private sector, most notably for construction workers and electricians. These are areas where the unions traditionally are considered to be strong. Notably, these areas where the transition between schools and work appear to be relatively swift, suggesting that the trainee arrangements are helpful.

There is much less organised school to work transition arrangements for the female dominated professions catering for the service industry, often in the public sector. Another problem is the lack of school-to-work bridges for students graduating from the academic programs. The students from these programs who fail to (or choose not to) enter higher education and are not prepared for the labour market in terms of an acquired profession have no formal institutions catering for them since no specific union is acting in their interest.

Even though the trainee system in many ways appears to provide a successful way of introducing graduates to the labour market in the sectors where it is in place, there is a fear that those who fail to find a trainee spot after graduating, or who have incomplete grades and thus are disqualified, will have serious problems of entering the labour market. The fact that unions are involved in the process also raises fears that the labour movement are given a tool for limiting the supply of labour into the sector.

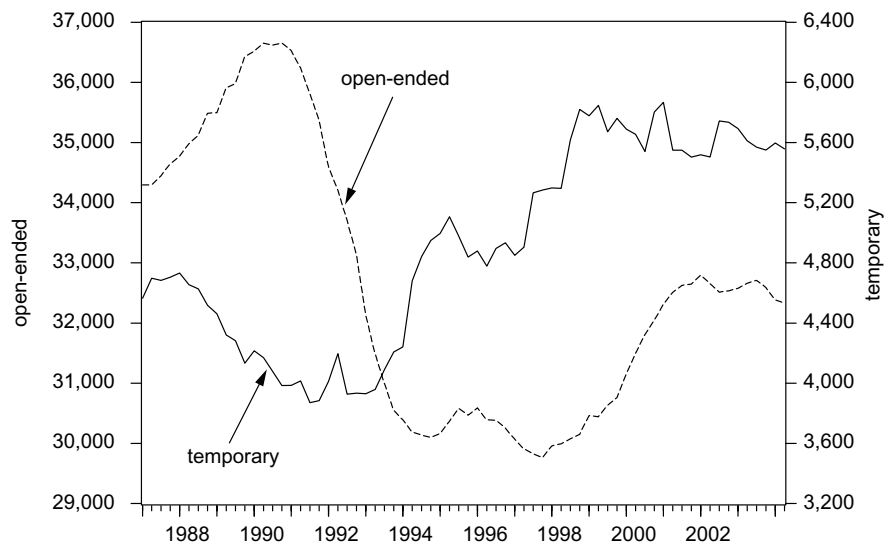
3.2. Employment Protection

In terms of employment protection, Sweden ranks around European average according to most observers (OECD, 1999; 2004). Workers with 12 months tenure are to be given priority for new jobs. Those being employed for three years during a five year period are to be considered as hired on an open-ended contract. Since the beginning of the 1990s there has been a large increase in the use of temporary contracts – especially among younger workers. This is probably a function both of some legislative changes and a changing macroeconomic environment – see Holmlund and Storrie (2002) for a discussion.

There is an ongoing debate in Sweden, as in many other countries, whether the employment protection should be made more or less strict in order to help young workers enter the labour market. Regulations such as the 12 month limit for receiving priority for new jobs are designed to help workers in the process of entering the labour market. It is however not clear that this is the actual outcome. Employers may choose to restrict the contract length to 11 months and be reluctant to rehire temporary workers until after a period sufficiently long so that they are not covered by such legislation.

It is likely that less strict employment protection will give workers with no previous work experience more chances of entering the labour market – but on the other hand it will become more likely that they are laid off again. What little empirical evidence exist (e.g. Larsson et al, 2005) suggest that temporary contracts are beneficial for those taking up the contracts – but the overall effects are far from clear. Although the debate continues, changes in the employment protection legislation is to be expected in the recent future.

Figure 3. Wage and Salary Employment (100s) by Type of Contract



Source: *Labor force surveys*, Statistics Sweden.
 Note: seasonally adjusted quarterly data 1987Q1 – 2004Q2.

3.3. Unemployment

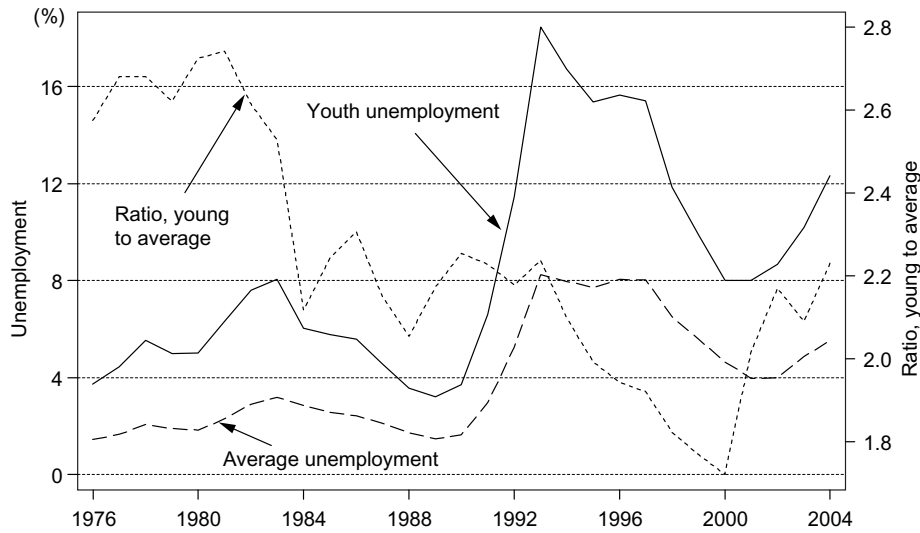
During the 1980s, Swedish labour market performance was widely appreciated as a remarkable success story. Whereas unemployment in Western Europe climbed to double-digit figures, the Swedish unemployment rate remained exceptionally low by international standards. The average unemployment rate during the 1980s was around 2 percent and by the end of the decade it had fallen to 1.5 percent. Employment-to-population rates were also exceptionally high by international standards. In 1990, total employment had risen to 83 percent of the working age population, whereas the average European figure was 61 percent and the OECD average 65 percent.

In the early 1990s, the picture of outstanding Swedish labour market performance changed dramatically. Between 1990 and 1993, unemployment increased from 1.6 percent to 8.2 percent and total employment declined to 73 percent of working age population. The level of GDP fell from peak to trough by 6 percent over a three year period. For five successive years in the mid-1990s, official unemployment was stuck at around 8 percent whereas extended measures of unemployment which included participants in various labour market programs reached double-digit figures. Youth unemployment, which for natural reasons always is higher than average unemployment, remained at roughly twice that of the average population which means that the cohorts entering the labour market in the mid 1990s faced severe business cycle conditions.

Although the prospects for a sustained labour market improvement appeared remote in the mid-1990s, a strong recovery was in fact around the corner. From 1997 and onwards, employment exhibited a marked increase and unemployment fell rapidly. By the end of 2000, unemployment had reached 4 percent of the labour force and it remained fairly constant at this level during 2001 and 2002. Between 2002 and 2005 – unemployment rose again – although the recession was not as severe at this occasion, it is clear that this period meant a significant worsening of the labour market status of young workers relative to older workers.

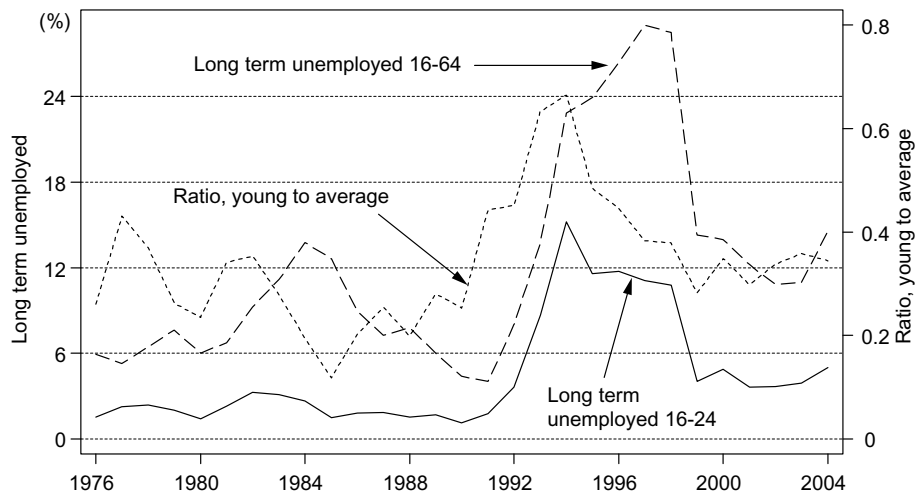
Since 2005 the labour market has slowly recovered again. A change in the definitions of the labour force survey in the spring of 2005 does however make it difficult to compare the most current numbers to the historical ones. The change of definitions towards international

Figure 4. Unemployment Rates



Source: Labour force surveys, Statistics Sweden.

Figure 5. Long Term Unemployment



Source: Labour force surveys, Statistics Sweden.

standards has however raised awareness of the fact that youth unemployment in Sweden is a larger problem relative to the rest of the world than was previously known. According to OECD the Swedish youth unemployment was 22.3 percent in 2005.

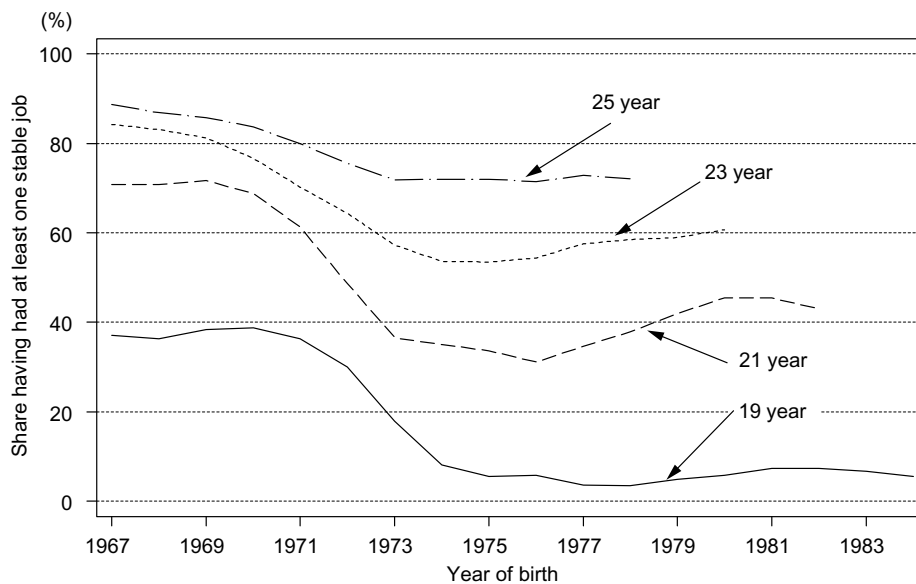
When studying unemployment for young workers it is important to remember that this mainly is an *inflow* problem. Young workers become unemployed much more often than older unemployed. Once they become unemployed, young workers do on average find jobs faster than the older unemployed. This is in part a reflection of the fact that youth unemployment is more wide spread – in contrast to the case for older workers it is not only those with severe problems that become unemployed. As an illustration, Figure 5 shows that the share of long term unemployed among young workers is much lower than among all unemployed workers.

3.4. Labour Market Entry

As visible in the unemployment statistics, there is a great variation over time in the youth unemployment rate. But unemployment statistics only measures the share of young workers who look for jobs but do not find any. It does not directly relate to the first entry into the labour market. In order to calculate the time it takes for young people to actually find a job Åslund et al (2006) calculated the fraction of workers within a cohort who have found a first relatively stable job at different ages. The definition of a stable job is relatively arbitrary (approximately 7 minimum wages during a year)⁴ but stable over time. The numbers show a significant downturn when the recession hit in the early 1990s and some recovery at least around age 21 in the latter years.

Much of the permanent delay is due to prolonged education – this is especially true for the numbers at age 19 since vocational programs were prolonged by one year during the recession. Calculating numbers for the time to job after completed education does however show a similar, although not as strong pattern, suggesting that labour market entry has indeed become more difficult over time (Åslund et al, 2006).

Figure 6. Share Who Had at Least One “Stable Job” before or at Age 19, 21, 23 and 25



Source: Åslund et al (2006).

Note: “Stable jobs” are defined as earning at least half median income of 45 year old (approx. 7 monthly minimum wages) during a calendar year.

⁴ The precise definition is earning at least half median income of 45 year old but it corresponds to approximately 7 monthly minimum wages in all years.

4. Labour Market Policies for Unemployed Youths

Sweden has traditionally been renowned for its system of extensive active labour market policies. Such policies are very much in effect also for the young. This system is however currently under rapid reconstruction following the change of government in late 2006. The description below however describes the current system, but it should be kept in mind many aspects are likely to change already during 2007.

As a general rule, people of all ages who are looking for jobs register at the local office of the nation wide *Public Employment Service* (PES) funded by the central government. The PES offers computerized “matching” services, with a database of job vacancies throughout Sweden. All employers are required to report their vacancies to the PES – in reality the database is expected to cover one third of all actual vacancies. Nevertheless this provides a great recourse for job applicants. Registration is also a requirement for anyone wishing to receive assistance from one of the benefit system available for job unemployed seekers. In addition to the matching services, the PES also provide various job search assistance and various forms of “active” labour market programs in the form of Labour Market Training, Work Practice, Employment Subsidies or the like.

There are various special arrangements depending on age which separate how the PES works with the young unemployed. The two main thresholds are at age 20 and at age 24. Unemployed workers aged below 20 (note that the normal graduation is in June of the year the student will turn 19) are with few exceptions not allowed to participate in the normal labour market programs provided by the PES. Instead, they are referred to a program administrated by the municipalities. This referral typically comes much faster in an unemployment spell (around day 50 into an unemployment spell) than what is customary for older unemployed workers. The municipalities have a lot of discretion when treating the young workers involved in this program and in practice we have little knowledge of the average contents of the program. Available survey evidence suggest that they involve combinations of the same elements provided by the PES programs, i.e. work practice, job search assistance, computer training, etc. The variation between municipalities is however likely to be great.

For workers aged 20-24 the situation is slightly different. This group can be referred to a program run by the municipalities, much like the program for those under 20. But in contrast to the younger age group they may also participate in normal PES administrated programs. Workers aged 20-24 also differs from the older unemployed in two other important aspects. First, they are placed in programs much earlier – both data and policy documents suggest that program placement takes place after around 100 days of unemployment. Second, unemployment rates and PES performance for the under 24 is monitored separately, and the PES are thereby encouraged to give specific attention to this age group. In reality this means that larger PES offices have special case workers who only focus on this age group and that case workers in general meet clients aged below 24 much more often than e.g. unemployed workers aged 25 to 29.

There are no municipality run programs for those over age 24.⁵ The involvement of the municipalities for young unemployed workers is a function of the fact that the municipalities cater for upper secondary education and “adult education”. They are also responsible for paying out social assistance – a means tested grant which is the only form of compensation available for unemployed with no previous work experience, where the young unemployed are highly overrepresented.⁶ Furthermore, municipalities also have a legal responsibility to be

⁵ In fact this is not exactly true – unemployed social assistance (which is financed by municipalities) recipients are by some municipalities required to participate in special programs which they provide. There is however, extremely little systematic knowledge about these programs.

⁶ Unemployment insurance paid to unemployed with previous work experience is administrated and paid nationally.

informed of, and provide solutions for, those under the age of 20 who have not completed post secondary education and are out of work. In practice, the municipalities appear to differ a lot in the extent to which they actually fulfil this responsibility.

What are the effects of these various arrangements? The evaluations of Forslund and Skans (2006a and 2006b) show the following. Firstly – by studying individuals who have similar characteristics and who are very close in age but show up in different age categories due to small age differences it is possible to derive the effects of the various age limits. The results show that transitions into jobs during the first 100 days of unemployment spells are most frequent for those that are treated as 20 to 24 year olds. After 100 days there are no major differences.

The comparison with those above 24 means that it is better to be in the group which is given priority amongst the case workers *and* who expect to be put in active programs after 100 days. This can be given one of two possible explanations – either it is due to a positive effect of the extra attention the workers get from case workers *or* it is due to “pre program deterrence effects,” i.e. that they look for jobs harder in order to avoid the programs they are expected to participate in after 100 days. Regardless of which interpretation is correct, it means that job search activities are a key element in shortening unemployment spells of young workers. Since the positive effect disappears after around 100 days, it is suggested that there are no positive effects of participating in the various programs. Although it is important to keep in mind that the effects *before* the programs changes the composition so that the stocks of remaining unemployed may no longer be comparable 100 days into the spell.

Why do those over 20 perform better than those who are slightly younger? One reason is that they are put in programs somewhat later than those below 20. This means that there is more time for job search activities, and for the pre-program deterrence effects to take effect. Another potential reason is that they only are allowed to enter the municipality provided programs. Forslund and Skans (2006a) show that 20-24 year old participants in the PES administrated programs fare significantly better in terms of job finding rates than participants in the municipality run programs with similar characteristics and labour market history. This suggests that decentralization of the youth policies to the municipalities have not been a success.

Further results in Forslund and Skans (2006a) compare participants in work practice programs to participants in labour market training programs. The comparisons are based on groups which are matched on a wide set of characteristics and labour market history indicators. Results show that the job finding rates are substantially higher for those participating in the practice programs than for similar participants in labour market training. This suggests that the contacts with employers provided by the practice programs are more important than the more formal occupational training provided by labour market training. It should however be noted that the long run results (with a follow-up period of two years) are somewhat more in favour of the training programs. More work is however needed to clarify these long-run results.

4.1. Discussion

The challenges facing the youth unemployment policies are many. The first is to find the right balance between search assistance and active policies. The results reviewed above suggest that search assistance is preferred at least early on in an unemployment spell.

Although the results presented in the evaluation studies discussed above appear to be remarkably stable when estimated for many different subgroups it is also clear that we need to find ways of using the right program for the right individual.

Yet another challenge is to find the right balance in the relationship between education and labour market policy – and to what extent should drop outs be let into the normal labour market programs? A motivation for holding the younger unemployed outside of the normal

labour market policies is to not compete with regular education, but it may come at a cost of treating the youngest unemployed worse than the slightly older. A motivation for letting the municipalities handle much of the labour market policies for the young unemployed is to improve the coordination with regular education, however as shown above this route does not appear to have been successful in terms of job finding rates. Another key variable is to coordinate the monetary compensation since competition between the various systems is likely to be a bigger problem if the compensation to participants in labour market programs is higher than the allowance paid to participants in regular education.

Several changes in the labour market policies for the young have been announced. Firstly, there will be a general payroll tax cut for all employees aged 20 to 25. The lower age limit is motivated by a fear of competition with the regular education system, suggesting that the priority given to regular education remains within the new government. The partial pay-roll tax exemption for young workers is likely to counteract some of the negative effects of high minimum wages – but it is not a policy which specifically targets the most vulnerable groups.

There will be an additional payroll tax cut for all below 25 after six months of unemployment (or sickness). The subsidy will last for between 6 to 12 months depending on the length of the job-less spell. A similar system is currently available, but only on a limited basis and after approval from a PES case worker. There exist no evaluations of such these subsidies for young workers but evidence for older (long term) unemployed workers suggest that the effects are positive, but that there will be substantial displacement effects, i.e. that subsidies will be paid to jobs which would have materialized even without the subsidy. This risk is naturally higher if the subsidy is paid to workers with a good chance of finding a job even without the subsidy which is likely if the subsidy is granted to young workers with just 6 months of unemployment.

Several other suggestions are underway but have not yet appeared, such as a removal of the municipality sponsored programs and the introduction of a “program guarantee” suggested to take effect after 50 days of unemployment. How these suggested changes will look in practice is however too soon to say.

5. Summary

The Swedish system of upper secondary education has an ambitious target curriculum and provides many chances for failing students to come back and finish their studies. Transition rates from most vocational programs to higher education are very low, suggesting that there are small benefits from the academic parts of the curriculum. On the other hand, the hurdle put up by the ambitious curriculum makes non-completion rates high despite the fact that most students spend much time within the system. Many students with low educated parents or immigrant background are unable to cope with the current system.

School competition, a decentralized educational system and a strong belief in the importance of providing students with the education they want creates an educational mix which is a function of student choices and preferences. These are not always based on realistic assumptions regarding expected labour market outcomes. A challenge is to find ways of coordinating student choices with the needs of the labour market.

Vocational programs should provide workplace practice as an integral part of the education, although the implementation of this regulation varies in practice. Trainee and qualification systems are mostly present in some, mainly male dominated, professions. Many students work during their school years and 20 percent of students with a swift transition between school and work start their careers at a site where they worked already while in school. The casual jobs are however sensitive to the business cycle and highly correlated with parental employment.

Youth unemployment is high in Sweden. Both compared to other countries, and probably

also compared to the past. Still, it appears that long term unemployment is more a problem for the older unemployed. There has been an increase in the use of temporary contracts which makes it easier to find some employment – but harder to find permanent jobs.

There are extensive labour market policies for the unemployed youth. Evaluations suggest that job search assistance is a better way of getting unemployed young workers into employment than are “active” labour market programs. At least this holds early in an unemployment spell. In a comparison between programs, it appears that decentralizing programs to municipalities which are handling regular education is not a fruitful policy and that workplace practice is more effective than labour market training.

References

- Åslund, O., R. Eriksson, O. N. Skans and A. Sjögren (2006), *Fritt inträde? – Ungdomars och invandrades väg till det första arbetet*, SNS förlag, Stockholm.
- DS (2000), “Samverkan mellan skola och arbetsliv. Om möjligheterna med lärande i arbete”, Ds 2000:62, Fritzes, Stockholm.
- Eliasson, K. (2006), “College Choice and Earnings Among University Graduates in Sweden”, Umeå Economic Studies 693, Umeå University, Umeå.
- Forslund, A. and O. N. Skans (2006a), “Swedish youth labour market policies revisited”, *Vierteljahrshefte zur Wirtschaftsforschung* (Quarterly Journal of Economic Research) 75(3), pp 168-185.
- Forslund, A. and O. N. Skans (2006b), “(Hur) hjälps ungdomar av arbetsmarknadspolitiska program för unga?” Rapport 2006:5, IFAU, Uppsala.
- Holmlund, B., Q. Liu and O. N. Skans (2006), “Mind the Gap? Estimating the effects of postponed education”, Working paper 2006:11, IFAU, Uppsala and 2006:17, Department of Economics, Uppsala University.
- Holmlund, B. and D. Storrie (2002), “Temporary Jobs in Turbulent Times: the Swedish Experience”, *Economic Journal* 112, F245 – F269.
- Larsson, L., L. Lindqvist, and O. N. Skans (2005), “Stepping-stones or dead-ends? An analysis of Swedish replacement contracts?”, IFAU Working Paper 2005:18, IFAU, Uppsala.
- LO (2006), “Vägar till arbetslivet”, Slutrapport till LO:s representantskap, Landsorganisationen, Stockholm.
- OECD (1999), *Employment Outlook*, OECD, Paris.
- OECD (2004), *Employment Outlook*, OECD, Paris.
- Skans, O. “Scarring effects of the first labour market experience – A siblings based analysis”, IFAU Working Paper, 2004:14, IFAU, Uppsala.
- Skans, O. N., P-A Edin and B. Holmlund (2006), “Wage dispersion between and within plants: Sweden 1985-2000”, forthcoming in Lazear, E. and K. Shaw (eds), *An International Comparison of the Structure of Wages Within and Across Firms*, University of Chicago Press.
- Skedinger, P. (2005), “Hur höga är minimilönerna?”, Rapport 2005:18, IFAU, Uppsala.
- Skolverket (2006), *Beskrivande data om förskoleverksamhet, skolbarnomsorg, skola och vuxenutbildning*, Skolverket, Stockholm, 2006.
- Wang, I. J. Y., K. Carling, and O. Nääs (2006), “High school student’s summer jobs and their ensuing labour market achievement”, IFAU Working Paper 2006:14, IFAU, Uppsala.

Appendix

Table A1. High School Performance at Age 20 – Background and Correlations with Outcomes

	Compulsory ^A	Vocational		Academic	
		Incomplete grades ^B	Complete grades ^C	Incomplete grades ^B	Complete grades ^C
<i>Background</i>					
All	0.172	0.068	0.358	0.039	0.363
Swedish born					
- With Swedish parents	0.141	0.069	0.375	0.037	0.378
- With one foreign parent	0.205	0.075	0.320	0.047	0.352
- With two foreign parents	0.250	0.073	0.322	0.049	0.307
Foreign born	0.362	0.045	0.273	0.043	0.277
Male	0.186	0.081	0.364	0.041	0.329
Female	0.157	0.054	0.351	0.037	0.400
Parents education					
- At least one with university	0.144	0.042	0.269	0.055	0.491
- Both less than 10 years	0.315	0.078	0.376	0.029	0.202
<i>Outcomes</i>					
Earnings (100 SEK), age 20	481	926	909	703	618
Stable job ^D at age 20	0.189	0.479	0.432	0.310	0.235
Starting higher ed. at age 22	0.050	0.045	0.170	0.275	0.651
<i>If not higher ed:</i>					
Earnings (100 SEK), age 22	834	1332	1466	1141	1221
Stable job ^D at age 22	0.367	0.638	0.682	0.548	0.564

Source: Own calculation on population wide register data of completed education from the IFAU data base.

Note: Age of completion is the age of the highest achieved education which may include incomplete studies. Data only excludes those with more than upper secondary education at age 20 or shorter but completed educations. 12.3 percent are therefore not classified and dropped from the table. ^AIncluding incomplete post compulsory education if shorter than 1 semester. ^BStudies with incomplete grades of at least 1 semester, but less than three years. ^CThree years long post compulsory education with complete grades. ^DStable jobs are defined as half the median income of 45 year olds (approx. 7 monthly minimum wages) during a calendar year.

Transition Pathways from School to Work or Further Study and Youth at Risk

Matt Davies

The Australian Government Department of Education, Science and Training

1. Introduction

“We aim at nothing less than assisting all young Australians from 13 to 19 to make a successful transition from school to an enduring career.” the Honourable John Howard, Prime Minister, September 2004.

To achieve the goal set out by the Prime Minister, it is vital that all sections of the community are assisted to acquire the skills and knowledge they need to participate in paid work to the extent they desire and to the level of their capacity. In this context, the Australian Government focuses on maximising the participation of young people making the transition from school to further education and training or work, or combinations of these.

In examining young people’s transitions from school to work in Australia, it is clear that the majority of young people clearly do in fact make satisfactory transitions. Based on data from the *Longitudinal Studies of Australian Youth* data set compiled by the Australian Council for Educational Research, we can conclude that in the first year after leaving school about 87% of young people make a sound start towards a good transition. After 4 years out of school, nearly 90% of school leavers make a good transition, including the vast majority of those who had a sound start and some others who made a less promising start soon after leaving school but eventually made good transition.

Our analysis also reaffirms that those who left school prior to completing year 12 experienced higher rates of ‘poor transitions’, as do young people from targeted groups (e.g. those with lower levels of literacy or numeracy, or Indigenous young people). Research also demonstrates that having undertaken some work-placement or vocational programme while at school improves transitions for early school leavers in particular.

In Australia, under our federated system, States and Territories have Constitutional responsibility for education. The Commonwealth (or Australian Government) is a key partner and major funding provider of education, vocational training and youth services.

The Australian and State and Territory governments have been actively committed to the ongoing development and implementation of programmes and initiatives to improve the transitions of all young people through and from school and post-school settings.

2. Context Setting

2.1. The National Reform Agenda

The Australian Government meets with the State, Territory and Local governments in the Council of Australian Governments (COAG).

On 10 February 2006, COAG announced a new National Reform Agenda (NRA) which builds on previous reforms, including the National Competition Policy. The National Reform Agenda addresses constraints on the economy by introducing Competition, Regulatory and

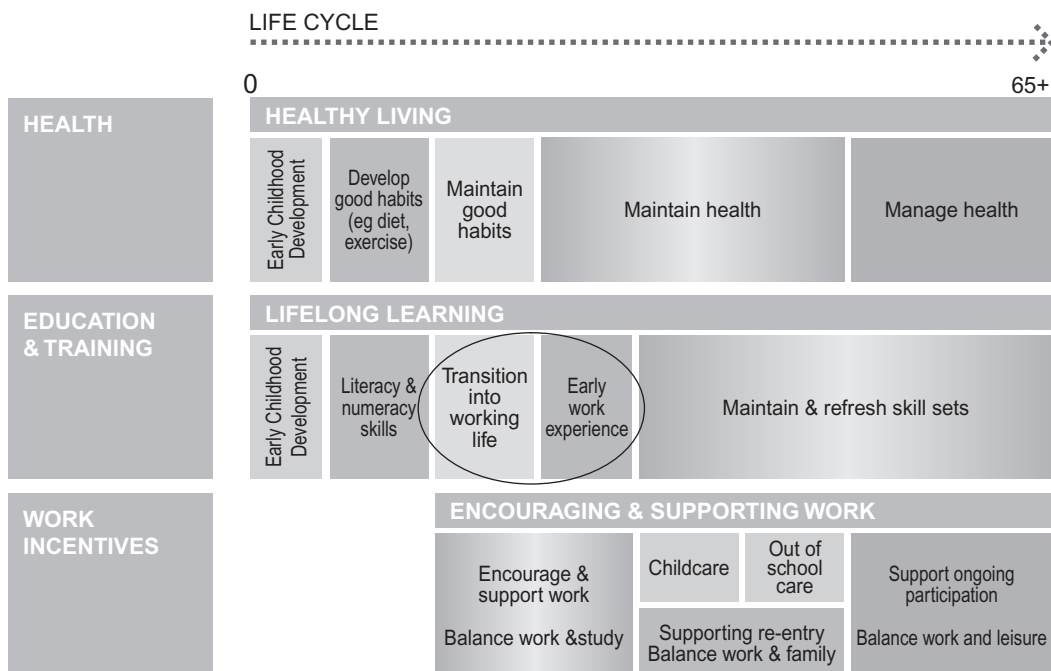
Human Capital reforms.

The Human Capital reform element stems from the role human capital has to play in ensuring Australia’s future economic growth through increasing workforce participation and productivity. COAG agreed that Human Capital reforms would centre on Health, Education and Training, and Work Incentives.

Within the Education and Training element of the Human Capital reform agenda, COAG has identified the following areas for reform:

- Early childhood development
- Core skills attainment (literacy and numeracy)
- **Transition from school to work or further study**
- Adult education

The figure below illustrates the relationship between Health, Education and Training, and Work Incentives and the location of transitions from school within these components of the Human Capital reform stream.



2.2. Importance & Nature of Successful Youth Transitions

For young people in Australia, a successful transition from school means being able to follow their aspirations and dreams – being able to do what they want to do. These aspirations and young people’s pathway choices are as many and varied as the young people in our country and they change over time.

However, what is very clear is that to become independent adults, all young people need the skills to manage their own lives and sustain their own livelihoods. So, getting the self-confidence, skills and qualifications to work, study and be an effective member of their family and community is vital to success. This active and self-reliant transition to adulthood is also critical to keeping our democracy vibrant and responsive to individuals’ needs and keeping our economy strong.

Australia’s living standards and continuing prosperity relies in part on young people participating in the labour force and being productive contributors. Arguably, this has never been more important than now, as we face the demographic challenges brought on as the

'baby boomers' leave the labour force. We currently face skills needs in a number of industry and occupation areas and this is predicted to become even sharper in some sectors. Australia simply can not afford to have even a small proportion of young people being left out of the opportunity to work, study, continually re-skill and contribute to our economy.

What is a successful transition for a young person?

A successful transition from school refers to ending up in full time employment or full time education and training for a sustained period. A pathway involving a strong dose of full time activities is the most beneficial to good longer term employment and earnings prospects, with part time employment being less so but still generally serving as a good stepping stone to full time employment. A smooth transition is one which leads to a successful transition relatively quickly after leaving school.

Successful transitions are associated with:

- adequate literacy and numeracy skills;
- early work experience through VET in Schools and part time work while at school or full time work immediately after leaving school; and
- full time study, or work and training combinations such as Australian Apprenticeships.

Other factors are also important, including making informed career decisions, possessing employability skills expected by employers, and access to effective transition assistance.

Those identified as at risk tend to also have personal characteristics that impede effective transitions such as poor motivation and self-esteem and low social participation. A range of studies and pilot programmes, such as the Australian Government's Partnership Outreach Education Model (POEM) programme, show that these characteristics can be addressed successfully, independently of external forms of disadvantage, and that this can then greatly enhance the effectiveness of opportunities available to these young people.

Improving transitions can lead to more rapid transitions, which increase time in the workforce, and to more young people acquiring base qualifications, which are pre-requisites for higher labour force participation and productivity over the life span.

What are the characteristics of successful youth transitions?

For some time now, governments across the world have recognised that successful youth transitions require a comprehensive framework of support and opportunity. The OECD has suggested that the key elements in improving transitions include: a healthy economy; well-organised pathways that connect initial education with work and further study; widespread opportunities to combine the workplace experience with education; tightly knit safety nets for those at risk; good information and guidance; and effective institutions and processes.

In Australia, all governments have acknowledged this and set in place a *Career and Transition Services Framework* under the auspices of the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA).

The *Career and Transition Services Framework* advocates putting in place the following elements to support young people in making effective transitions through school and between school and post-school destinations:

- learning pathways plans
- transition plans and individual portfolios
- exit plans
- follow-up support
- career education
- vocational and technical education and structured workplace learning
- career information, guidance and counselling
- placement and referral
- individual support approaches

- monitoring and tracking

What groups of young people need targeted assistance?

Data from a range of sources suggests there are a number of groups of young people that need particular support. For a variety of reasons, these young people experience barriers to successful transitions. Evidence from the Australian Census and other reports indicate the following groups are at increased risk to varying degrees:

- young women who leave school early
- young people with a disability
- young Indigenous Australians
- young people from some migrant groups
- those with poor literacy and/or numeracy skills
- those in rural or remote areas
- those from socio-economically disadvantaged backgrounds

All governments need to put in place specific initiatives to support these young people. The specific reform proposals in this report will all address the needs of these identified target groups.

2.3. Broad Trends in Youth Transitions in Australia

Patterns of transitions for youth from school to employment and post-school qualifications have been broadly stable for over a decade.

However:

- Participation in higher education has been declining slowly after peaking around the year 2000;
- The uptake of Australian Apprenticeships has increased substantially before flattening recently (for 15 to 19 year olds it doubled over the ten years to 2005);
- There has been little change in the proportion of school leavers in the first year out of school who are neither in full-time work nor in full-time education: when the recession of the early 1990s struck it rose from around 20% to around 30%, and it has been much the same ever since;
- Unemployment among young people has declined noticeably and been largely replaced by part time work; and
- The increasingly strong labour market may further increase the attractiveness of education and training combined with work and reduce the experience of unemployment.

The education and employment circumstances of young Australians have improved significantly in the past decade.

The proportion of 15-24 year olds in work or full time education has risen from 85% in the 12 months to March 1996 to 89% in 2006, while the proportion unemployed full time has fallen from 17% in March 1996 to just 11% in November 2006 (trend data).

The proportion of 25-29 year olds with Certificate III or higher qualifications, including university, rose to 56% in 2006, up 16 percentage points from 1994; see also Appendix 1: Labour Force Attainment of 20-24 year olds.

Strong employment growth and the expansion of Australian Apprenticeships have significantly improved opportunities for all school leavers.

Teenage full time employment levels are high with 242,200 teenagers fully employed in November 2006 (trend data).

Teenage Australian Apprentices have increased from 75,700 in training in June 1996 to 131,100 in training in June 2006.

As a result, teenage full time unemployment is currently at 60,000 (November 2006), less than half its 1990s high point of 128,500 in June 1992 (trend data).

As a proportion of teenagers, those in full time unemployment have declined from around 1 in 10 in the early 1990s to less than 1 in 20, and recent proportions have been the lowest in the last 3 decades.

Based on the latest available data, 96,000 young people left school without completing Year 12 in 2005. Of these, 67% were in study or work within six months of leaving school (in May 2006) and 50% were in full time study or full time work.

The pattern of transitions for young people in the four years after leaving school (from whatever year) has been fairly stable for more than a decade.

- Around 30% will have undertaken or be in higher education, and will have generally good long term outcomes.
- Another 40% will have consistently been in other full time education and training or full time work and will also have generally good long term outcomes.
- Around 24% will have mixed employment experience over the four years since leaving school, with considerable periods of unemployment and part time work.
 - This group may be at some risk and experiences protracted transitions. It tends to involve early school leaving and some of the characteristics of disadvantage, especially poorer literacy and numeracy.
- Around 6% will have had little or no work or study since leaving school.
 - This group is most at risk. It tends to involve early school leaving, and to have characteristics of multiple disadvantage, including poor learning experiences, low literacy and numeracy, and no work experience while at school. It is likely to also have specific disadvantage, such as Indigenous background, sole parenthood, homelessness or mental health issues.

The first year out of school

The first year after leaving school is especially important in influencing the longer term outcomes of young people and is consistent with longer term participation patterns:

- 75% of students complete Year 12; 10% leave after Year 11; and 15% leave after Year 10.
- Over 60% of early school leavers (that is before the end of year 12) are in full time education, training or work, and over 70% of Year 12 completers; however, their pathways differ:
 - About a third of those who leave after Year 10 move to Apprenticeships; a similar proportion of those who leave after Year 11 move to full time work without training; and over a third of Year 12 completers move to higher education; and
 - Those who leave before completing Year 12 are twice or three times as likely as Year 12 completers who do not go on to higher education to be unemployed, in part time work or not in the labour force.

2.4. Range and Coverage of Existing Policies and Programmes

Since the endorsement by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) of the *Framework for Vocational Education and Training in Schools*, their release of the *Stepping Forward Declaration*, and the *Career and Transition Services Framework* mentioned above, all governments have been actively committed to the ongoing development and implementation of programmes and initiatives to improve the transitions of all young people through and from school and post-school settings.

These frameworks and policies are intentionally not prescriptive about which programmes should be implemented, or how this might be done. They outline desired outcomes to be achieved over time and in ways that are appropriate to the contexts, priorities and resourcing profiles of individual jurisdictions.

Current approaches can be categorised under the following headings:

- Implementing individual learning plans

Developing approaches and curriculum in which learning and training opportunities are responsive to and designed around each young person's individual abilities, interests and career goals, and which take account of their personal circumstances and aspirations.

- Improving career development
Providing career information and guidance programmes to assist young people confidently negotiate transition points across the middle and senior years of schooling, and in post-school training settings. Programmes are often determined at the individual site level and are responsive to local needs.
- Improving and diversifying pathways programmes
Increasing the range, quality and access to Vocational Education and Training and other vocational and enterprise programmes that are offered as part of the mainstream school curriculum, as well as alternative programmes for those not in (or at risk of disconnecting from) learning or training.
- Monitoring and tracking
Increasing recognition of the importance of effective and efficient monitoring and tracking processes to ensure that each young person is cared for throughout his or her education and guided into a successful initial transition. Such processes can be used to ensure that young people do not 'fall through the cracks' because action has not been taken. They can also ensure that those who have disengaged are assisted to re-engage through targeted intervention measures, including information about the range of support available and help to access them.
- Improving individual support for successful transition
Introducing a range of mentoring and case management programmes to assist young people to monitor and support their education/training and career pathways.
- Improving planning and coordination of local provision
Supporting the operation of school-community-business alliances to collaboratively develop education and training programmes that assist young people to better link with post-school/training opportunities.
- Improving the quality of teaching and learning in post-compulsory education and training
Providing resources for the professional development of teachers and trainers about vocational education and career development.

2.5. Summary of Key Australian Government Initiatives

The Australian Government has a comprehensive set of measures to assist young people with support in their transitions after school:

Career Advice Australia was announced in the 2005-06 Budget and commenced operation in January 2006. It provides additional funding of over \$143 million over the four years to 2008-09 to enhance school, industry and other networks to ensure that all young people aged 13 to 19 have access to up to date quality career related information and support. This brings direct Australian Government funding for specific career development and transition support in the education portfolio alone to some \$100 million per year.

The Youth Pathways programme commenced service on 1 January 2006 with the aim of retaining young people aged 13-19 years in school, or re-engaging young people who had left school within the last 12 months in education or training. The programme is targeted at those young people who are most at risk of not finishing year 12 and not making a smooth transition into further education, training or employment and successful participation within the community. In 2006, Youth Pathways funding was at around \$24 million and assisted approximately 17,000 young people. Following the Prime Minister's release of the Better Mental Health Services for Australians package in April 2006, Youth Pathways funding increased from 1 January 2007 to over \$36 million per year. At least 25,500 young people will be assisted each year as a result (see below for greater detail on Youth Pathways).

The Partnership Outreach Education Model provides flexible accredited education and personal development for young people aged 13 to 19 years who are disconnected from mainstream schooling. Over five years to 31 December 2006, the initial pilot projects assisted 7,700 young people. The POEM pilots ceased in December 2006. A new national POEM programme announced in the 2006-2007 Budget funded at \$34.9 million over four years will commence shortly in 2007. Sixty POEM services will assist more than 3,000 disconnected young people each year to re-engage with education in a supportive environment, and provide them with the ability to participate in further education, training or employment.

The Vocational Education and Training in Schools programme benefits more than 211,000 young people each year through accredited training relevant to work while at school (some 47% of the year 11 and 12 student population, operating across about 95% of schools). The States and Territories are obliged to support and promote Vocational Education and Training (VET) in Schools under the Agreements with the Australian Government providing \$45.2 billion specific purpose payments over the four years to 2008-09 for schools and vocational and technical education. In addition, \$22.25m each year targeted to VET in Schools is provided to States and Territories to assist implementation of VET in Schools courses. The Australian Government's leadership in supporting the mainstreaming of VET in Schools has been one factor in the rise of secondary school retention rates.

The Structured Workplace Learning Programme, a component of VET in Schools, benefited more than 96,600 senior secondary students in 2005 through experience of a structured placement in a workplace. The programme is funded to almost \$66 million over the four years to 2008-09.

Establishment of Australian Technical Colleges across Australia will benefit up to 7,500 young people per year once all are established, by offering a fully integrated academic and training programme for Year 11 and 12 students to enable them to achieve both a Senior Secondary Certificate and work towards a Certificate III level trade qualification. Initial funding of \$344 million will be provided over five years to 2009. There will be 25 Colleges in 24 regions with 21 of those operational in 2007.

Youth Pathways Overview

The Australian Government is committed to enhancing the skills of all young Australians and to the continued development of an integrated national career and transitions system. Career Advice Australia (CAA) is a major platform assisting all young Australians to make a successful transition from school to an enduring career. Youth Pathways will complement the new initiatives introduced under CAA by providing intensive personalised assistance, and support to those young people identified as being the most at-risk of not making a successful transition.

From 1 January 2006 Youth Pathways replaced the former Jobs Pathway Programme (JPP).

Youth Pathways aims to assist young people aged 13 to 19 who are most at risk of not making a successful transition to reach their full potential, by keeping them engaged or re-engaging them with education or training through to the completion of Year 12 (or its equivalent) and ultimately to further education, training or employment, and active participation in the community.

Providers will identify eligible participants from the pool of eligible young people who are either attending school or have left school in the preceding 12 months without completing year 12.

Participants receive personalised assistance specifically directed to their needs including an assessment, assistance, and ongoing support and guidance to help them overcome barriers to effective participation in education, training or employment services programmes.

The activities will include:

- identification of personal barriers to participation;
- the development and implementation of an individually appropriate Transition Plan; and
- individualised case-management designed to address the barriers identified.

Also, where appropriate, it may include referral to: specialist support services such as youth suicide or drug and alcohol services; and community groups that engage at-risk young people – for example, in sporting, cultural, recreational and other community activities.

The preferred order of outcomes for participants of Youth Pathways is as follows:

- a) retain or re-engage participants in the school environment through to completion of year 12 or its equivalent;
- b) engage or re-engage participants in non school-based education, vocational learning and training; and
- c) prepare participants for effective engagement in Job Network activities.

Youth Pathways is an approved activity under Mutual Obligation and Preparing for Work Agreements administered by Centrelink.

Eligibility Criteria

To be eligible to participate in Youth Pathways, a young person must be an Australian citizen or permanent resident between the ages of 13 to 19 and either:

- a) be at risk of leaving school before completing year 12 **and**
- b) be at risk of not making a successful transition through school, and from school to further education, training or employment;

or

- a) have left school in the preceding 12 months without completing year 12 **and**
- b) be at risk of not making a successful transition to further education, training or employment.

From the pool of eligible young people, providers must identify those young people who are most at risk of not making a successful transition through school and beyond. The programme targets young people who experience a combination of personal, social and educational barriers.

For Youth Pathways eligibility purposes, under 1 a) and 2 a), a school-equivalent course of education outside the mainstream schooling system is to be treated in the same manner as if the young person was still in school. For example, if the participant left school longer than 12 months ago but subsequently engaged with a non-school based programme this should not rule out eligibility on the grounds of having left school more than 12 months ago.

People who are not eligible

Young people who are in one or more of the following categories are generally ineligible to participate in Youth Pathways:

- those who do not have significant barriers to successful participation in education or training;
- those who only need minor assistance, career advice or interview skills, and do not have personal factors that define them as ‘at risk’;
- those who have completed year 12 or its equivalent in accordance with the relevant State or Territory education system requirements;
- students who have indicated that they would only leave school (prior to completing year 12) to take up an employment opportunity and are likely to make a successful transition;
- those in employment or tertiary studies; or
- young people who are participating in Intensive Support Customised Assistance

(ISCA) or Intensive Support Job Search Training (ISJST), JPET, Green Corp or any State, Territory or local initiative that provides similar services to a similar client group.

Youth Pathways service model

The proportional distribution of the 2006 17,000 participant numbers to each Youth Pathways Service Region was based on Australian Bureau of Statistics data. Specifically, it was based on the number of 15 to 19 year old unemployed early school leavers per Statistical Subdivision (SSD). Youth Pathways Service Regions are based on SSDs.

Under the Youth Pathways funding model, SSDs have been classified into four classifications (Metropolitan, Provincial City, Other Provincial Area and Remote), based on the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) Schools Geographical Location Classification. The MCEETYA Schools Geographical Location Classification is based on a combination of population size and geographic distance from population centres.

The contract value for each Service Region is determined by the business level (number of participants to be serviced), multiplied by the service fee (unit price) assigned to each participant serviced. This unit price varies depending on the geographical classification of each of the SSDs. The contract sets out the unit price attributed to each of the business levels assigned to each SSD in each Youth Pathways Service Region.

The Australian Government increased unit prices from 2007 for Youth Pathways providers delivering services to young people in “other provincial” and “remote” geographical areas. Prices for “other provincial” classifications rose from \$1,735 to \$1,985 and prices for “remote” areas rose from \$2,230 to \$3,435. These increases reflect the additional costs that Youth Pathways providers incur in delivering intensive support services in the more provincial and remote areas of the country.

The unit prices (GST exclusive) assigned to participants from each of the four geographical classifications used in the programme in 2007 are set out below:

Metropolitan:	\$1,235
Provincial city:	\$1,300
Other provincial:	\$1,985
Remote:	\$3,435

Further information

Further information can be obtained from the Youth Pathways website:

www.youthpathways.dest.gov.au

Further information about the extended commitment of the Australian Government to young people leaving school can be found by accessing the following website:

http://www.dest.gov.au/sectors/career_development/programmes_funding/programme_categories/key_career_priorities/

Youth Pathways Case Study from the Gold Coast, Queensland – (2006)

Youth Pathways started this year across 28 schools on the Gold Coast. Ten very committed Youth Pathways Officers are based in the schools to provide ready access for young people most at risk of disengaging from school. The Youth Pathways Officers work closely with the administration team within each school to identify students who need intensive support to stay on track within the schooling system.

“We get to know the young person on their level and spend time with them to find out what their needs are. As non-teachers we have a different approach that puts us in a unique

situation to be non-threatening”, says Arian Schapp, SCISCO’s Youth Pathways team leader.

“Once we identify their needs or barriers we come up with creative solutions to address those needs. Helping the young person to set goals, and to consider career options is a good start, and we often find work experience helps them with that”. Each young person receives a minimum of 6 hours of face-to-face contact with a YP officer and they are closely supported and monitored to maximise their success.”

Jasmine (not her real name) struggled to stay at school due to family stresses, financial limitations and a lack of peer support. “I was getting anxiety attacks each morning before I went to school, and some days I just didn’t go”, explains Jasmine.

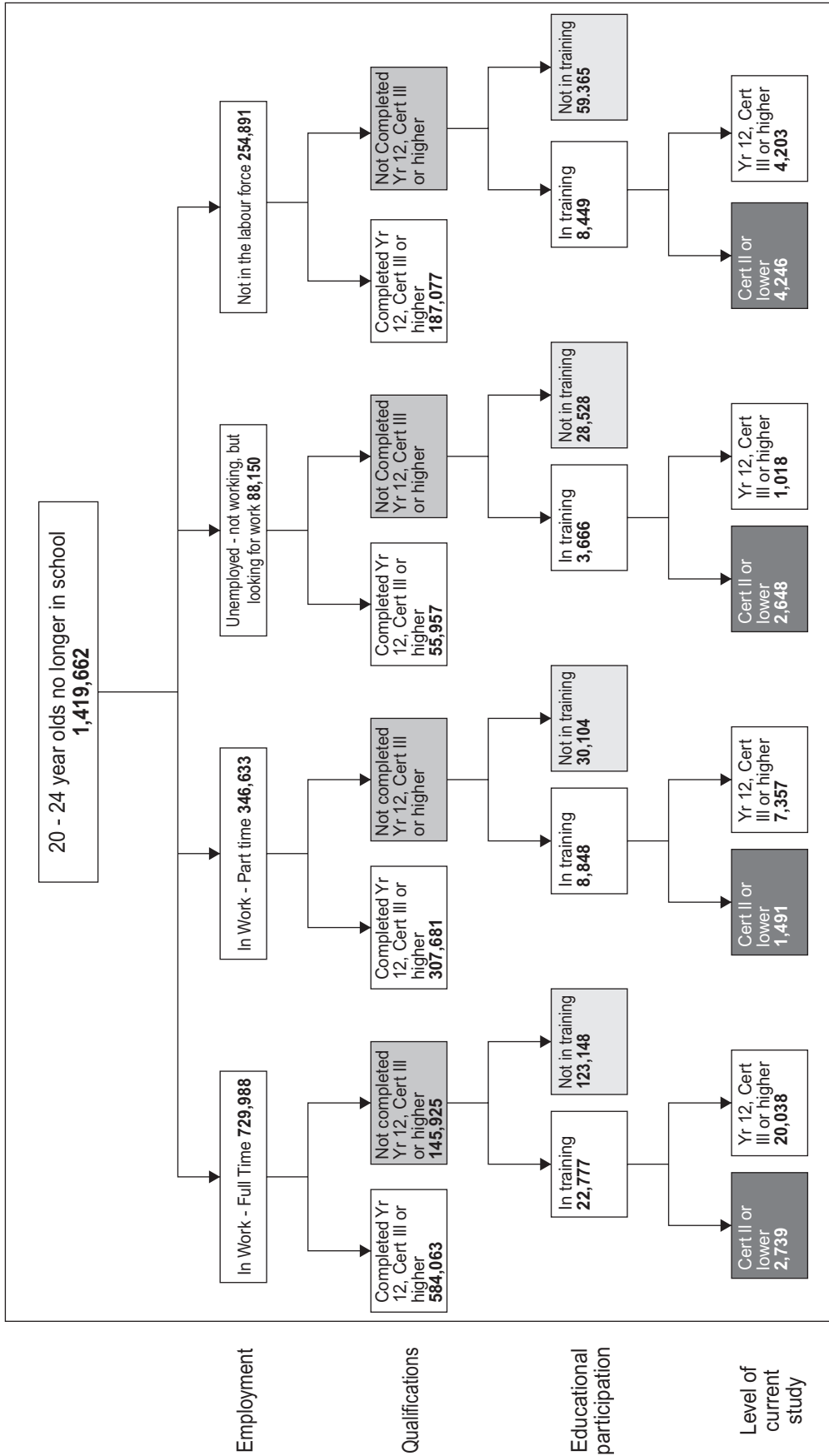
“The deputy principal asked if I wanted to meet Stephanie, the Youth Pathways Officer at our school, and I thought it was worth a go. Stephanie explained how she might be able to help me and I trusted her”.

Stephanie wrote a plan with goals for the two of them to work towards, which meant for Jasmine that she had to ask for help when she needed it. Stephanie has linked Jasmine into a peer support program for students who are struggling at home with parental issues.

“I have learned to express openly how I feel, and have worked up the courage to ask for help when I need it. Stephanie has helped me with assignments, has given me a career interest test and wants me to do a work experience placement next term. I’m keen on child care and would like to give it a go. My mum has spoken to Stephanie too, and now we can communicate better”.

Jasmine is now attending school regularly, but still feels she wants to build self-confidence. That is something that Jasmine can work on over the next six months with her Youth Pathways Officer walking along her side every step of the way. They meet face-to-face at least once a month. “I’m confident that Jasmine will get a lot out of her industry placement because she’ll be able to work with other adults in a non-school environment. We’ll try our best to place her in the right environment that is nurturing and sensitive to Jasmine’s needs. She’s a great girl, and will do great things in the future,” says Stephanie.

APPENDIX 1. Labour Force Attachment of 20-24 Year Olds



**JILPT International Workshop
Transition Support Policy for Young People with
Low Educational Background**

Program

Feb. 26, 2007

10:00 Opening Remarks Akira Ono, President, JILPT

First Session: Enhancing the Career Education Functions of the Secondary Education Institutions, etc.

Chaired by: Reiko Kosugi, Research Director, JILPT

Commentator: Teruyuki Fujita, Associate Professor, Tsukuba University

10:10 **Presentation**

1) James Stone III, Professor, University of Minnesota

2) Yukie Hori, Researcher, JILPT

11:10 **Comments and Discussion**

11:55 (Break)

Second Session: Promotion of Employment and Training in Enterprises

Chaired by: Taro Miyamoto, Professor, Hokkaido University

Commentator: Michiko Miyamoto, Professor, the University of the Air

13:25 **Presentation**

3) Nathalie Moncel, Céreq

4) Insoo Jeong, Senior Research Fellow, Korea Labour Institute

14:25 **Comments and Discussion**

15:10 (Break)

Third Session: Social Support–Holistic Support and Transitional Labor Market Policies

15:30 **Presentation**

5) Andy Furlong, Professor, University of Glasgow

6) Oskar Nordstrom Skans, Researcher, IFAU

7) Matt Davies, Branch Manager, Department of Education, Science and Training

17:00 **Comments and Discussion**

February 27, 2007

Concluding Session: Exploring Implications for Japan

Chaired by: Reiko Kosugi

10:00 **Summary and Remarks by Coordinators of Each Session**

8) Teruyuki Fujita

9) Taro Miyamoto

10) Michiko Miyamoto

11:00 **Discussion**

Concluding Remarks Reiko Kosugi

12:00 Closing Address

Fumio Wakaki, Research Director, JILPT

List of Participants

- U.S.** **Dr. James R. Stone III**
Director, National Research Center for Career and Technical Education
Professor, Department of Work & Human Resource Education,
University of Minnesota
- U.K.** **Dr. Andy Furlong**
Professor, School of Business and Management
University of Glasgow
- France** **Dr. Nathalie Moncel**
Senior Researcher, Département “Entrées dans la vie active”
Céreq - Centre d’Etudes et de Recherche sur les Qualifications
- Sweden** **Dr. Oskar Nordstrom Skans**
Researcher
IFAU - The Institute for Labour Market Policy Evaluation
- Australia** **Mr. Matt Davies**
Branch Manager of the Indigenous and Transitions group
Department of Education Science and Training (DEST)
- Korea** **Dr. Insoo Jeong**
Senior Research Fellow, Korea Labor Institute
- Japan** **Dr. Taro Miyamoto**
Professor, School of Law, Hokkaido University
- Dr. Michiko Miyamoto**
Professor, University of the Air
- Dr. Teruyuki Fujita**
Associate Professor, Institute of Education, Tsukuba University
- Ms. Reiko Kosugi**
Research Director, JILPT
- Ms. Yukie Hori**
Researcher, JILPT

Japan (contd.)

Ms. Yumi Ennyu

Lifelong Learning Policy Bureau, Policy Planning and Coordination Division, Ministry of Education, Culture, Sports, Science and Technology

Mr. Akihiko Higuchi

Lecturer, Faculty of Social Science, Hosei University

Prof. Maki Hiratsuka

Professor, Hosei University

Mr. Takashi Hosaka

Lifelong Learning Policy Bureau, Policy Planning and Coordination Division, Ministry of Education, Culture, Sports, Science and Technology

Mr. Satoru Kameshima

Director, Social Infrastructure Office, Human Resources Development Bureau, Ministry of Health, Labour and Welfare

Mr. Tetsuya Kishimoto

Lifelong Learning Policy Bureau, Policy Planning and Coordination Division, Ministry of Education, Culture, Sports, Science and Technology

Mr. Masaaki Nagasu

Associate Professor, Tokyo Seiei College

Mr. Nobukazu Nishikawa

Senior Specialist for Career Guidance, Student Affairs Division
Ministry of Education, Culture, Sports, Science and Technology

Mr. Takayuki Nishimura

Ph.D. Student, Department of Pedagogy, Tokyo Metropolitan University Graduate School

Mr. Shinji Sakano

Associate Professor, Tamagawa University

Mr. Koichi Sansho

Section Chief, Youth Employment Affairs Office, Employment Security Bureau, Ministry of Health, Labour and Welfare

Mr. Keiji Shimokado

Deputy Head, Youth Employment Affairs Office, Employment Security Bureau, Ministry of Health, Labour and Welfare

Mr. Daisuke Watanabe

Part-time Lecturer, Chiba University and Tsuru University

Mr. Takahiro Yamaguchi

Nomura Research Institute

Mr. Akira Ono

President, JILPT

Mr. Fumio Wakaki

Research Director General, JILPT

Mr. Masaki Konishi

Executive Councilor, JILPT