

Transition from Initial Vocational Training into Stable Employment

Documentation of a
European Conference

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Preface

Young people constitute one of the groups most strongly affected by and threatened with unemployment. In order to combat youth unemployment most of the member states of the European Union are focussing on improving and expanding vocational training and the supporting measures of guidance and training. Volume 4 of our series "Berichte und Materialien" documents the process and the results of a European Conference on "Transition from Initial Vocational Training to Stable Employment" which took place in Offenbach/Main on June 28-29, 1999 and which was supported by the Federal Labour Office and the European Commission. The Conference was initiated and realised by the Institut für berufliche Bildung, Arbeitsmarkt- und Sozialpolitik (INBAS GmbH), L&R Sozialforschung in Vienna, and the (European) Network on Transitions in Youth.

Thanks to the co-operation with experts in the field of vocational training of a select group of seven EU member states (Germany and Austria as countries with dual training systems, France and Spain as countries with systems predominated by off-the-job training, the Netherlands and Great Britain as countries with mixed training systems) it was possible to gather case studies of "good practice" in the form of single national reports, to present them within the framework of the Conference, and to discuss their innovative aspects and the possibilities of transferring them to other member states in working groups.

The publication in hand documents the process and the results of this two-day Conference. Apart from the national reports and the presentations, it also includes a documentation of the results from the different working groups.

With this meeting and the present publication, we hope to create a greater awareness for the problem of the so-called "second stage", the transition from vocational training to employment, and to intensify the exchange of ideas among policy-makers, researchers, and experts.

The publisher would like to thank all those who have contributed to the success of this Conference. Grateful thanks are due to all the national experts and co-ordinators for having made an interesting and valuable exchange of ideas possible through the elaboration of their national reports: Ferdinand Lechner, Lucia Minecan, Barbara Willsberger (Austria), Jørgen Mørk (Denmark), Annie Boudier and Patrick Werquin (France), Rolf Schmidt (Germany), Peter Elias, Chris Hasluck (Great Britain), Hans Rutjes (The Netherlands), Lorenzo Cachón (Spain).

Our grateful thanks are due to the European Commission and the Federal Labour Office for realising the significance of the problems at the "second stage" and for facilitating this project through their financial support. We would like to express our thanks in particular to Frederique Rychener from the European Commission and to Jürgen Thiel from the Federal Labour Office whose opening speeches laid the basis for a successful development of this Conference.

Furthermore, we would like to thank all speakers and participants in the Conference who offered a range of incentives, ideas, and impulses by participating in the discussion and who contributed to the success of this Conference. We would also like to thank the city of Offenbach, particularly Lord Mayor Gerhard Grandke, for its hospitality. Finally, our gratitude is due to the conference interpreters (Claire Girard, Dorothee Haas, Svanja Heinemann,

Mathias Nord, Alexander Wood, and Daniela Schell) for removing the remaining language barriers.

Offenbach am Main, March 2000

1 Official Opening and Welcoming Address

1.1 Welcoming Address by Gerhard Grandke, Lord Mayor of the City of Offenbach

Ladies and gentlemen,

It is a great pleasure for me to welcome you to this conference on “Transition from Initial Vocational Training into Stable Employment” here in the Büsing Palais in Offenbach.

Issues in the field of training and employment have been very important issues here in Offenbach for many years. As a location which in the past was strongly marked by the “old industries” and therefore to a large degree affected by structural changes, we have had great problems on the labour market. Just to give you an example: the image of our city is characterised by the leather manufacturing industry. Offenbach was strongly influenced by this. Today, however, we hardly have any leather manufacturing here in Offenbach. Thousands of people used to be employed in the leather manufacturing industry and you can imagine if you buy a leather wallet for DM 20 or 30 here in one of the department stores it isn't made in Offenbach, it is made in Southeast Asia, China, or India. If, on the other hand, you would buy a suitcase or a purse for DM 10,000 or 15,000 then it was probably made in Offenbach. As you can imagine, the market for these goods is a relatively small market world-wide. And therefore, we do have a very specific structural problem in spite of the fact that we are in the centre of the Rhine-Main region - one of the most prosperous regions in Germany. This problem we have to address. And that is why I think it is very helpful to have this conference here.

Unemployment as well as youth unemployment have been yet higher here than in the rest of the region. This is connected with the fact that some of the industrial workers from the “old industries” are still living here together with the next generation, and many of them are still lacking the language competence and formal qualifications. That makes it very difficult to organise the transition from school and vocational training, and this is the interface we are working at. I hope that this conference will give us a wealth of ideas for us here in the centre of the Rhine-Main area on how to tackle these problems.

Since the beginning of the 1990s, we have had our own consistent development strategy for this structural problem. Offenbach today is a city marked by fundamental changes. However, a strong service sector is increasingly affecting this structure. We are trying to strike a balance between the various sectors by trying to establish a very highly developed service sector. On the other hand, we have to make sure that those who have to enter the labour market with low qualifications and little knowledge of the German language - I try to describe it as the “McDonaldisation” of the tertiary sector - that those people find a future perspective in their professional development. We are trying to give the city a new look, a new face. Thanks to the suburban train, we are connected with the main traffic hubs in Germany: Rhine-Main Airport, Frankfurt's central railway station, and of course the close connection with the banks in Frankfurt. Along those development axes many companies were established and if you look at the past five or six years, you'll see that more than DM 5 billion of private capital were invested in Offenbach. Compared to the GVA in our city, this is the highest investment we have had since the post-war period. This shows that we have not only started with this turnaround but that it works. In the past four and a half years alone, ten thousand new jobs were

created in our city. We have just over 40,000 jobs in Offenbach that are subject to social insurance contributions. In comparison, 10,000 new jobs are quite a large number. The interesting thing, however, is that these 10,000 jobs that were created in our city by now make up for 75% of the total tax receipts. That means the newly acquired companies of the past five years raise 75% of our trade tax. This shows that this strategy which used to be a highly controversial issue with the trade unions and other organisations is in fact a successful one. The trade unions have by now accepted the strategy. In view of the wage differences and wage situation world-wide regarding such manufacturing enterprises, it cannot prove to be successful to keep the "old industries" here in Offenbach.

At the same time, we also have to try to preserve good old traditions. We want to preserve Offenbach as an individual human city. The Büsing Palais here shows you part of the change: This hotel has developed into a congress centre and it has or used to have the largest hotel lobby in Germany. When you enter the restaurant over there, that is where I learned to swim because it used to be a swimming pool, a swimming pool which we had to close because the restorations would have been too expensive. Until the 1980s, the Büsing Palais was a war ruin which we built up together with the new hotel building and transformed it into this important conference venue which has become famous beyond the borders of the city. I think it is a positive example of the changes taking place in our city. I hope you will have the opportunity to see some of the positive changes: along the Main, downtown where we also have farmers' markets - there are a lot of positive things that make our city attractive and create a typical mixture of internationality and a pleasant size of a city.

31% of the Offenbach population comes from foreign countries. 31% - that is a relatively high rate. The estimates are - there is no precise statistical data - that about 10 to 15% of the people living in Offenbach have a German passport but don't speak German, that is people from the former Soviet Union. And this is a fairly large proportion of foreigners in our city. For this reason we have to make great efforts in order to make sure that this great cultural diversity has its positive effects. This is not always easy but we are trying and so far we have always been successful in completing this task.

As Lord Mayor of Offenbach, I attach particular importance to the fact that we want to include these people in the modernisation process of our city. Through extensive employment promotion schemes and training programmes we integrate unemployed people and by means of a large number of projects make them, particularly young people, fit for a changed working life. We have local programmes in order to promote about 150 additional apprenticeship posts and another 400 additional jobs for long-term unemployed which is quite a large number compared with the overall potential. These are very important programmes which we consider a social investment in the future of our society. In my view, it is of particular importance to make sure that these efforts are sustainable.

Vocational training is not an end in itself. Only if these programmes lead to stable and appropriate employment, then this investment will be useful and will have its effects for large proportions of the population. And it makes sense that you have chosen Offenbach as conference venue. As I said, success and result-oriented support programmes are part of our concept, as well. And thus, in the context of the Federal Employment Office, industry, chambers, associations and not least of all our local community, we are trying to make great efforts to make sure that no young person is unemployed for more than six months. I would be glad if during or after this conference you will have the opportunity to see for yourself that our programme has in fact proven it's worth. And I hope that you will find the opportunity besides this agenda here to have a look at our city. I think you will notice that we are building and developing many important and interesting things here.

Most of all, I hope you will have interesting presentations, exciting discussions and a lot of good talks leading to hopefully good results that we can use here in Offenbach. Welcome to Offenbach. I would like to wish you success for this conference. Thank you.

1.2 Opening Address by Wolfgang Schlegel, Managing Director INBAS

This conference, kindly funded by the European Commission and by the Federal Labour Office, is based on the initiative of three institutions that have joined forces for this purpose and that have partly been co-operating for quite a few years. Apart from INBAS which I am representing, there is L&R Sozialforschung from Vienna, Austria represented by Mr Ferdinand Lechner. He is one of the two directors of this institute and we have been co-operating for many years in the field of vocational training and labour market. The third partner institution that has helped to initiate this conference is the so-called Network on Transition in Youth - a network of academics mostly from universities in various European countries. They have been co-operating for many years and they all have been dealing with the issue of transition of young people from school to the job market. This network is currently co-ordinated by CEREQ in France. There are two people from CEREQ, among other things dealing with the co-ordination of this network, who are participating in this conference, Annie Boudier and Patrick Werquin. He left CEREQ a few weeks ago and is now working for the OECD in Paris. These three institutions have worked together in order to organise this meeting. They have presented an application to the European Commission and to the Federal Labour Office that were willing to finance this conference.

The objective of this meeting is to create an awareness for the problem of the so-called second transition. In Germany, and I know that this is also true for Austria, there is a certain tendency when speaking about youth unemployment to speak about the problem of school leavers who cannot find a training place rather than to speak about the problem of finding a job after successful training or apprenticeship. With this conference we want to create an awareness for this specific issue of youth unemployment after a training because it is a problem which has increased significantly in some European countries over the years.

We all know that youth unemployment is a central issue for the European Union and that young people in many countries are strongly affected by unemployment, much more than other employees. Furthermore, we know that if young people start their professional career by being unemployed, this is the worst possible start to their career. Many surveys have shown that unemployment in the beginning of a career often leads to unemployment later on. And for this reason, youth unemployment is a central issue and one of priorities on the agenda not only in Germany but in the European Union as a whole. Therefore, we hope that this meeting will make a modest contribution towards an exchange of information on successful measures and programmes in this field.

However, in order to prevent misunderstandings I would like to emphasise that the funding we have received from the Federal Labour Office and from the European Commission was strictly limited to financing this conference and was not meant to finance a European research project on this issue. That means that we cannot present to you today any results of prior studies on this problem, of a comparative study or anything of this kind. We merely asked our colleagues from various European countries to compile information on this issue from projects they are working at. This information is made available to you here. We have not conducted a research project in order to present to you the results. This meeting is to be

an important step towards exchanging information, towards having a joint discussion. After this conference we hope that we will be able to use this information from the national experts and the contributions you make in the working groups in order to compile a comprehensive documentation on the state of affairs in at least some member states of the European Union.

The countries participating in this study are Austria, Germany, Spain, France, Denmark, the Netherlands and the UK. Unfortunately, the intended co-operation with our Italian colleagues failed to materialise.

Just a few more remarks on the organisation of this conference. This afternoon we will, first of all, hear two contributions by representatives of the two institutions that have made this conference possible. First, we will hear Mrs Rychener from the European Commission, Directorate General V. She will be speaking about employment policy within the European Union particularly for young people and on the development, the very dynamic development, having taken place between the European summit in Amsterdam and the summit which was just concluded in Cologne. She will present to us the milestones on the path to developing employment policies on a European level. We will then hear a contribution from Dr Thiel from the Federal Labour Office who is co-ordinating the German Immediate Programme on Combating Youth Unemployment. He is in the fortunate situation of having compiled an intermediate report taking stock of the programme which has not been published yet and which he will be able to present to us here. After the coffee break we will hear Annie Boudier from CEREQ in France and Patrick Werquin from OECD who will give us a kind of initial presentation with central issues from the national reports hoping that this will lead to a lively discussion with all of you and that this will give fresh impetus to the working groups taking place tomorrow.

Tomorrow we are going to split up into three working groups which I would like to briefly present to you:

In Working Group 1 we will be dealing with the issue of what structural elements of the vocational training system, of the employment system are important in order to ensure a smooth transition of young people from vocational training to stable employment. Two case studies will be presented in this working group. One case study will be about Denmark. In Denmark there is a very interesting, well-developed and successful system of controlling supply and demand. Jørgen Mørk from Denmark will be presenting this. The second example in Working Group 1 will be about the manifold activities in the city of Offenbach. The city of Offenbach is also trying to create the framework conditions in order to ensure a smooth transition to employment, particularly for disadvantaged young people. Mr Schulze-Boeing from the municipality of Offenbach will be giving this presentation together with the managing director of GOAP, Mr Schomburg. GOAP is a local employment initiative. I am going to chair Working Group 1 and Eric Fries Guggenheim from CEDEFOP will also be part of this working group and will be presenting his report later in the plenary session.

Working Group 2 will be dealing with the issue of what can we offer to young people who have difficulties with the transition into employment even if the general conditions are good, even if the job market functions, even if there is a demand for skilled labour. What can we do if certain groups of young people still have problems in finding a job?

This problem also exists and there are countries which have an enviable situation such as the Netherlands where there is in fact a lack of skilled labour in the labour market, countries that don't know the problem of the second transition as we do in Germany at the moment. Nonetheless, in the Netherlands there are young people who have problems with the second

transition. Hans Rutjes from the Netherlands will be presenting his experience and he will be telling us what can be done in such a situation. Furthermore, there will be a report on an interesting project in Germany, from Hamburg. This will be presented by Rolf Schmidt who will also be chairing Working Group 2 and he will be assisted by Birgit Voigt from INBAS in Saxony-Anhalt.

Working Group 3 will be dealing with probably the most difficult issue. The starting point here is the fact that in many European countries the problem of unemployment presently is so severe that we can try to find the most clever solutions as to improving the training, improving professional guidance without efficiently combating the problem. There simply aren't enough jobs so that it becomes difficult to place young people in employment. The question is: How can we create additional employment? In this Working Group we will be dealing with the large subject of public employment schemes, operating for instance in France and in Spain and more recently, also in Germany. But we will also be dealing with subjects such as business start-up projects for young people which also create additional employment. In this Working Group we will compare public job-creation schemes for young people in France and in Spain. This was prepared by Lorenzo Cachón, our Spanish colleague from the University of Madrid and Patrick Werquin from OECD. We will compare these two major job-creation schemes. As a third contribution in Working Group 3 a completely different experience will be presented, a small local project from Austria constituting a type of temporary employment business, of labour lease for young people at the second transition. This will be presented by Ferdinand Lechner from L&R Sozialforschung. In this Working Group we will furthermore get some information from our English colleague Peter Elias on this famous "New Deal" from England, the programme for unemployed young people in Great Britain. Annie Boudier will be chairing this Working Group.

Tomorrow afternoon we will then have a brief presentation of the results of the working groups and subsequently and as a conclusion we will have a panel discussion.

2 Key Speeches

2.1 Frederique Rychener

From Amsterdam to Cologne – the European Union's Employment Policy for Young People

First of all, let me say something in German as we are in Germany now. Let me just tell you briefly that it is a very great honour for me on behalf of the European Commission to have come here today in order to discuss the recent developments in the field of European employment strategy. Obviously, I will focus on such aspects which have to do with youth unemployment. So, now I'll continue in English.

I think, you all know and it was already mentioned by the people who started this discussion that youth unemployment is a big problem in the European Union although there are - as was said - some differences between the Member States. It remains a big problem with:

- roughly 4.5 million people under 25 unemployed which is about 10% of the age group 15 to 24.
- an unemployment rate of young people which is for the Union as a whole around twice the unemployment of adults. It is also much higher in some countries, particularly in the Southern countries of Europe where it's sometimes three times higher than adults'.
- quite an important share of young people are long-term unemployed. We have got about 38% of young unemployed under 25 who have been unemployed for 12 months and more.
- an unbalance between young men and young women and a situation being more defavourable for young women than for young men: their unemployment rate is higher and they tend to be more long-term unemployed.

Something important, when you look at the Union as a whole are the positive signs regarding unemployment and youth unemployment over the last years but one thing which is also important for us is that this improvement, in the case of young people is not necessarily a sign that they get better into employment. It is mainly the result of their remaining longer in the school system. If we focus on employment, we, as well as the young people looking for employment must have this in mind.

There are of course different reasons for this trend. Of course, as you all know, the needs of the labour market are changing or request higher education levels, so, it's quite logical that young people are remaining much longer in education and training but there is also what we could call a social demand for more education and training which cannot be strictly connected to labour market needs.

Another point which is common to youth unemployment in Europe is - and it's no surprise unfortunately - that it strikes more those young people with low or little qualification than those young people with higher levels of qualification. This is the overall view for the Union.

There are of course differences between the Member States. Germany remains one country together with Austria, where young people's situation regarding unemployment is quite satisfactory compared with other countries. There are also countries like Denmark, the UK, and the Netherlands where the activity rate of young people is much higher than in the rest of the European countries.

The European employment strategy is of course not only addressing young people. It is a strategy which, as you may know, is quite new as it really started in 1997, after the Amsterdam Council and the Special Summit which took place in Luxembourg in November 1997 and launched the strategy. This strategy is not completely new, of course. Before this, many things were being done at the European level in the field of employment and we already had a beginning of a real European strategy in Essen, where the European Council had defined common priorities in the field of employment policies for all Member States. But this strategy has some characteristics which make it a very important step in the European employment policy:

- First, there is the recognition of employment at policy level in the Amsterdam Treaty.
- The employment strategy is also what we call an integrated strategy which puts employment as a common question to be dealt with through all community policy not only with so-called strictly speaking employment policy but all community policies that have an effect, that contribute to employment and share this common priority which is to come again to a higher level of employment in Europe and reduce unemployment.
- It is also new because it has established a convergence process between Member States by setting a common framework and a certain number of objectives - some of them being quantified, I shall come back on these later.
- When I say common framework, it does not mean that the European policy is defining what Member States have to do. It defines some common orientations and objectives and it is then up to the Member States to develop their policies as they think appropriate and taking into account their situation and their policies to address this common objectives.
- The last main characteristic is that it establishes a follow-up procedure, a "surveillance" procedure by asking Member States to present every year - up to now it's every year - a National Plan where they explain and present how they are going to tackle these common priorities and objectives and also to report on the concrete implementation of the policies and the measures they presented. For the Commission and the Council, it also means preparing an annual so-called Joint Report which presents a comparative assessment of what Member States have presented and of the implementation of their National Action Plan.

I should add something which has been more developed during this year which is the so-called "peer review process" where Member States examine together examples of good practice. Member States themselves select examples that they want to present to the others and these examples are reviewed by those which declared their interest.. This has just started and I think that we have now selected six examples covering different aspects of the Employment strategy, some concerning more specifically policies regarding young people: the New Deal for young people but you will hear more about it later during this conference, the Danish policies addressing young unemployed and the French programme "new service-youth employment" on which you might also get information during the conference.

This common framework is concretised by the Employment guidelines which some of you might know. The Employment guidelines are set up every year. The first time they were set

up was in 1997/98. These guidelines are organised around four so called "pillars", or four main priorities which address the main problems identified as being the main European problems regarding employment. The first one of these four priorities or pillars is "to improve employability" and to prevent youth unemployment and long-term unemployment. The second priority or pillar is "Developing Entrepreneurship". It aims at reducing obstacles which exist in Europe to forward business-creation, job-creation, to encourage and develop jobs in some sectors or activities. This year, in the '99 guidelines, there is a special emphasis put, for example, on the development of employment in the service sector. The third pillar is about encouraging companies to adapt and to modernise in respect with keeping or saving security for the workers. It deals with the modernisation of work organisation and work contracts as well as with other aspect providing security for the workers. The fourth pillar is about reinforcing equal opportunities. Last year it was about equal opportunities between genders and also equal opportunities between different groups such as disabled people. In the '99 guidelines it is more focused on reducing gender inequalities on the labour market.

Coming back to our more specific topic, youth unemployment, this issue is mainly addressed under the first pillar which, as I said, is about preventing youth unemployment and improving employability. The first focus is on the prevention of youth unemployment and the guidelines ask all Member States to develop a preventive approach. They also ask Member States to develop a preventive approach for adults. This preventing approach is defined quite precisely in the guidelines. They request that Member States address every young person with a "new start" before they reach 6 months of unemployment. Something was said by the Lord Mayor of Offenbach about some initiatives being done here to provide young people with a solution before they reach 6 months of unemployment. I don't know if it's a coincidence that such measures already exist in Offenbach or an illustration of the implementation of the guidelines. The new start is defined as being a training or a retraining or a work experience or a measure which will increase a young person's employability. The guidelines also call for an early identification and intervention in the logic of the prevention.

The other guidelines which are under this pillar and which address young people's issues are what I would call a wider preventive approach. They are focussing on improving the transition from school to work but this can also be understood as a wider way to prevent youth unemployment. Under this objective of improving transition from school to work, there are two aspects. The first one is to improve the quality of the education system to reduce the early drop-outs. The second one is to improve the preparation of young people for working life notably, through, the extension or improvement of apprenticeship or similar training systems.

These are the guidelines that specifically address young people. However, the strategy has to be seen - as I told you - as an integrative strategy. It is, for example, obvious that reducing inequalities between men and women also concerns young people. The fact that in a second pillar we try to push job creation has also to be seen as a contribution to improving young people's integration on the labour market. And there must be some aspects regarding work modernisation or modernisation of the work contract which also may have some positive influence, we hope, on the employment of young people.

This as I said, started in 1998 so last year was really the first year of implementation, the first year that we had the so-called National Action Plan from the Member States, where they presented the policies and the measures they intend to develop to address the guidelines. It was the first time also that we did an assessment of the National Plans and of the first reports on their implementation. As you can imagine, this assessment was not an assessment of the results of the strategy or of the measures implemented which have to be seen in the medium term. What we looked at is whether the Member States were addressing all the

guidelines, and, at a more detailed level, for example, what they meant by a preventive approach. This first assessment is presented in the Joint Employment Report which was done last year. By the way, everything regarding the Employment strategy, Member States' National Action Plans and Commission documents can be found on the Net. So, those of you who know how to deal with it and I'm sure most of you do, can find all documents there.

What did we see last year when we did this assessment? We saw that all Member States answered this priority of developing appropriate policies and measures to address youth unemployment through a more preventive approach. This was also quite clear in those Member States which might be considered as having had until now a more curative approach whilst others, for example, the Netherlands already had a special programme for young people quite in line with the preventive approach as defined in the guidelines. In that case, it was more a question of reinforcing it or improving it than really switching to something new. We focussed on some Member States where the European strategy clearly meant a new switching to a more preventive approach. In the Joint Employment Report last year we mentioned the cases of France, Spain, Portugal. So, there was a commitment from everybody, even from those who already had a tradition of prevention, translated by more means or an improvement of the functioning of existing programmes and a clear switch for several countries.

There were and still are some differences in the way Member States interpret the early prevention aspect. This depends mainly on their own situation, for example, regarding the flow of young people who can leave unemployment by themselves without specific help. They may address young people with this new start quite early or later, before they reach the 6 months threshold. There is a clear case in the UK not only through the New Deal but also through the job seekers' allowance so that when somebody gets unemployed they get job search assistance which is the beginning of the new start, the very first day they become unemployed. In some countries like France, or Ireland or Belgium, it is more progressive and one tries to identify those young people having difficulties little by little and to address them later, during the unemployment span of 6 months.

There are quite various interpretations and implementations of this early intervention. I told you that prevention was quite new to a certain number of Member States however, all use measures which existed, and in that sense, none can be considered as having invented something fully new to satisfy the Employment strategy. What Member States do is mainly using existing measures, taking into account those that have proven most efficient and rearranging these measures.

One important aspect in most Member States is the so-called "individual pathway" where you combine different types of intervention over a period of time. It implies following young people and depending on each individual's problems or the way their situation evolves offering them different services. It can be just simple job search, it can be more for people having more problems, it can be a training at some stage and later, a work experience or a job in a job-scheme. This tendency to organise an individual pathway and to combine it with intervention according to individual evolution was observed in most countries.

Regarding the other guidelines about transition from school to work, there was quite a wide understanding of the issue of reducing early drop-outs. It is clear that this question of early drop-outs does not cover the same reality in all Member States. Some still have quite a problem with proper early drop-outs, people dropping out from compulsory schooling and leaving school at this age. It is clearly the case in Portugal which really defined the priority in that sense. However, most Member States are dealing more with reducing school failure at

whatever level it happens, including higher education in some cases like Austria and France with the idea of providing every young person with a minimum level of educational qualification and improving the quality of education. In relation to this, it is not only the question of level but also the question of the content of the educational qualification which is put forward although the latter issue is addressed by a distinct guideline. Sometimes, the two guidelines were addressed together as better preparing young people for working life was considered as part of the overall strategy to improve the quality of education and to provide every young person with a minimum qualification.

We saw that countries - and that is probably not a surprise for you - like Austria or Germany where the apprenticeship system is the main component of vocational training, put emphasis on the modernisation and extension of this system. However, there is also a new emphasis put on apprenticeship in countries where it is not the main component of vocational education, for example in Portugal, and partly also in France. More generally speaking, emphasis is put on policies aiming at developing the offer of vocational training combined with practical experience in a working situation. In most countries the issue is both to extend the offer in order to address more young people and to improve the content and the functioning of these forms of training.

That is where we are. Since last year, there was the Cologne Council and it is important regarding the European employment strategy. The Cologne Council put further emphasis on the development and implementation of the employment strategy which I have just presented. It also put further emphasis on an integrative approach where a better co-ordination should be achieved between macro-economic policies, employment policies and the structural reform of the markets (the so-called Cardiff process). So, the idea is to have these three main components - the macro-economic policies on the one hand, the employment strategy and the reform of the markets - to be better co-ordinated and to be in better synergy between each other. An important component which was added to this structure by the Cologne Council is to take into account wage developments in these processes, to have a better co-ordination in the field of wage development and fiscal policies. This was translated in the European Employment Pact which was an initiative taken by the German presidency and what was asked by the Cologne Council was to set up a macro-economic dialogue with representatives of social partners, of the Central Bank, of the Commission and of the Council, (the Economic-Financial Council and the Labour and Social Affairs Council). As far as the Employment strategy is concerned, the Cologne Summit also mentioned something important that is a request to the Commission to go further in identifying and examining examples of good practice and to report on this by the end of the year to the Helsinki Council.

This presentation might remain quite abstract, compared with some further presentations you will have, but I do think that the European policy can only benefit from the work you are going to carry-out during these two days. Identifying good practices is very important and has been emphasised by the Cologne Council therefore everything that can contribute to it and give us a better view in that domain is welcome.

I would personally insist on having a good understanding and knowledge of the context and the conditions which make something a good practice in a certain country. I do think that sometimes we forget; we focus on the measure itself and forget a little about its environment, how it was set up, in which context, which institutional framework, what makes it efficient and positive in this context. This is very important if you want to work on good practice with the idea of transferring or exchanging between Member States which is what we are trying to do at European level.

Unfortunately, I cannot tell you much about the present reports on the implementation of their National Action plan that Member States have just sent to the Commission as we are in the middle of examining the content of the reports to prepare the Commission draft of the Joint Employment Report. I can only tell you that what we want to do this year is to go a little further in the assessment of what has been really implemented and of the consistency of measures and policies implemented regarding the problem as it is in each Member State and the priorities set up. That's what we are trying to do - a step further compared with last year. Thank you for your attention.

2.2 Jürgen Thiel

The Immediate Programme of the German Government to Combat Youth Unemployment – First Experiences and Results

It is a great pleasure for me to welcome you here to this conference on “*Transition from Initial Vocational Training into Stable Employment*”. It was a great pleasure for the Federal Labour Office to take up the idea of the European Union Commission of organising an exchange of ideas on these issues in the framework of the German EU presidency.

In European employment policy combating youth unemployment is a top priority. As you know, the first of the employment policy guidelines of 1999 has the title “Combating Youth Unemployment”, a further guideline is called “Easing the Transition from School to Employment”. Since after the summit in Luxembourg at the latest, the predominant national approach to these issues has ceased to exist. What we now have is competition in the European Union, competition to find the best way forward and the participants in this competition are graded every year. Of course, there is no model pupil and no teacher in this process. Each one of us has to prove one's worth and we have to learn from our neighbours as well.

We are living in times of dramatic changes:

- The end of the conflict between the East and the West has accelerated globalisation on the goods and labour markets. Structural changes have thus become far more dynamic. It isn't globalisation that is new. What is new is the speed of globalisation changing the economy by means of technological progress. An example is the lifespan of products: In the 1970s, a product was on the market for an average of 11 years. Today, the average lifespan is a mere 7 years. Or to put it brief, things that are state-of-the-art today, will be standard tomorrow and obsolete the day after tomorrow.
- Now, that the single market has been realised, the European Monetary Union constitutes a further great success in Europe's process of growing together. Since the completion of the single market (1993) free movement of goods, services, capital, and persons has become a reality. The introduction of the Euro (January 1, 1999) created over night a domestic market of 11 countries for the participating enterprises.
- Time, place, and content of work are becoming increasingly flexible. The traditional industrial society with an 8-hours working day and a lifelong employment with one employer is ceasing to exist. We are moving towards an information society.

The economy and the labour markets are changing and thus, training and education are receiving more and more attention. This is where the course is set for the future.

It is a basic fact: **The importance of education is increasing.** Structural change does not only create and destroy jobs, it also changes the requirements to existing jobs. The trend is clear in this context: **Qualification is becoming increasingly important.** On the German labour market we can already see that qualification is the best protection against unemployment.

However, qualification is more than the formal school and vocational training certificate. Increasingly important are key qualifications and additional qualifications that are indispensable in order to be competitive on an increasingly international labour market. In the context of the Employment Action Plan of 1999, the Federal Government decided on an Immediate Programme on Combating Youth Unemployment including training, qualification, and employment of young people. DM 2 billion will be available in 1999, DM 600 million of which will be coming from the European Union.

In particular, the Immediate Programme provides the following measures:

- Promotion of local and regional projects in order to increase and use to the full the opportunities of apprenticeships,
- Training programmes for applicants without placement,
- External training for applicants without placement,
- Acquisition of a lower secondary leaving certificate for early drop-outs,
- Work and training for young people not yet prepared for vocational training,
- Complementary and further vocational training,
- Wage subsidies for hiring unemployed young people,
- Job-creation schemes including acquisition of skills,
- Employment-related aids
- Social guidance geared towards employment and training measures.

The single elements of the programme can be flexibly applied by the job centres as occasion demands.

By the end of May 1999, more than 600,000 young people were specifically addressed. 360,000 young people have been presented with an precise offer. 142,000 times young people in Germany accepted an offer within this Immediate Programme and at the moment, 100,000 young people are participating in this programme. With this, we have already achieved our objective of helping 100,000 young people by means of employment political measures - and particularly in the new federal states - to gain access to vocational training and employment.

The measures of this Immediate Programme on Combating Youth Unemployment are within the responsibility of the Federal Employment Office which has a network of 181 job centres. The self-governing bodies of the Federal Employment Office include representatives from the Federal Government and the länder, from trade unions, and from the employers' side, all having equal rights.

In the past few weeks and months, the job centres have proven in an impressive manner that they are in fact very effective service providers. The fact that the Programme is important

and appropriate becomes clear if you look at the reactions of the young people. I almost have the impression that they have been waiting for such a political initiative. How else could we explain the fact that the majority of the young people does not consider their unemployment as their destiny? When they were given the opportunity of changing their situation, almost all young people resolutely grasped this opportunity. One of the objective of this Programme is to reach those young people who are not registered with the job centres. Very often they are young people who come from a difficult social background and in most cases they haven't completed school. No doubt: Thanks to this programme it was possible to help these young people. We made them precise offers and then this Immediate Programme triggered off an enormous motivation. I concluded this from a comment at the end of a conversation with Ahmed who told me:

"Future is very important. You have to build up something, otherwise you will be lost."

This confirmed and reinforced the trust that I place in the young people who will perform important tasks in our society during the next decades. Through their behaviour these young people have disproved all those who always claim - and without a convincing argumentation - that unemployed young people are not willing to work. Whoever makes these sweeping statements claiming that young unemployed people do not want to work is simply denying the facts. And whoever continues to do so does not only act carelessly but knowingly wants to denigrate a large number of young people.

This is something which we - all of us together - must not allow to happen!

Particularly with those young people having problems with the second transition we are dealing with highly motivated young people who have gained qualifications with a great deal of commitment.

If young people accept such offers then it is justified to say:

Young people have problems but young people do not constitute a problem in itself.

This leads me to another thesis: *Youth unemployment can be reduced but not for free.*

In May 1999, the unemployment rate of young people under 25 in the Federal Republic of Germany was at 8.9%; thus, it was markedly lower than the total rate of 11.4% as well as compared with the previous year (May 1998: 10.6% compared to 12%). According to preliminary estimations, the Immediate Programme has already reduced national unemployment of young people by around 40 to 50,000. Long-term unemployment (still) is of less importance for young people (Long-term unemployment rate of young people by the end of May: 5.5%, total: 35.5%). As a result of the Immediate Programme this rate was reduced by 41% between March 1998 and March 1999. Let me highlight some important facts:

- In order to include the values, the views of life, and the ideas of young people we need for some of them an improved individualisation strategy. Different competencies, problems, and need of support require a more diagnostic kind of promotion. Therefore, focus in the first phase should be on examining the existing competencies or weaknesses. We have to develop an individual support plan. Promotional targets, tasks, and time limits have to be set up in order to be able to act professionally and pedagogically and in order to check on the quality of our tools at the same time.

- If we want to reach our target groups then we do not only have to find a target group oriented approach but we also have to find a local and regional approach. This flexibility which takes into account regional structures is of the utmost importance.
- The reduction of youth unemployment at the second transition is not just a task of one institution but it is a challenge for society as a whole. In the Federal Republic of Germany - and this has been demonstrated by the Immediate Programme - fields of co-operation and different types of co-operation as well as the intensity of the co-operation of the different institutions involved are very different and there is still room for improvement. One specifically structural problem is the large variety of sometimes incompatible local, regional, and national programmes, of employment programmes and programmes in the field of social and youth welfare work and their lack of control mechanisms. What makes it even worse is that there are difficulties in the local co-ordination with already existing programmes having different guidelines which are not always compatible and that there is no comprehensive administration. We need a better co-ordination of existing measures which has to lead to different programme structures.

Ladies and gentlemen, as a result of this, the Immediate Programme has tested new approaches. Particularly when dealing with the overcoming of the second stage, wage subsidies can be granted as early as after the first three months of unemployment for one year up to 60% and for 2 years up to 40% in order to create new employment opportunities. An impending unemployment is already basis enough for complementary or further educational measures. There is a number of other support measures by the job centres which go beyond these new opportunities of the Immediate Programme. I want to mention them only briefly because they will be dealt with in detail in the national report to this conference.

- Transitional aids for establishing and maintaining an employment relationship,
- Professional guidance,
- Training measures in an institution or a company,
- Integration aids,
- Employment support for long-term unemployed young people,
- Integration contract.

I want to point out in particular the so-called "Free Support" by the job centres: The possibility of using up to 10% of the resources from the active employment fund (up to DM 2.7 billion in 1999) for the free support allows the job centres leeway for extending the statutory active employment fund contributions. However, listing the abundance of innovations in this field would go beyond the scope of this presentation.

The great success of the Immediate Programme has shown that there is a great need for employment political measures for young people at the second stage which cannot be answered with the measures of classical labour market policy. We need a preventive labour market policy. However, labour market policies must not be regarded as the main driving force behind employment policy. The economic and structural policies on a federal, regional, and local level and within the European Union are called upon, as well. All these various instruments of the different political fields can only be successful if we use them in a co-ordinated way.

Ladies and gentlemen, the term second transition or interface rather describes a certain time or place. In the field of vocational training, however, we are dealing with a continuous proc-

ess. Therefore, it is justified to say that all efforts for overcoming the second transition have to start on the first day of the training. And here all people have to be involved:

1. Young people

They have to ask themselves the following questions:

- How do I want to organise my transition to working life?
- Do I have enough information on the concrete professional requirements?
- Do I have an overview of the job market and potential employers?
- Am I capable of presenting my competencies, know-how as well as my personal motivation in form of an application?
- Am I prepared for possible questions of the interviewers of a company?

2. Professional trainers

They also have to ask themselves:

- How can I keep my knowledge, my know-how up to date?
- How can I create competitive advantages for my trainees on the labour market?
- What about my contacts to employers?
- Can I help my trainees finding a job or recommend someone?

3. Potential employers

They also have to ask themselves:

- What about my connections to trainers and training institutions?
- What do I know about the content of training and the qualifications of young trainees?
- Do I know the market and the different vocations on the market (which one fits in best with my objectives)?
- What can I realistically expect from an applicant?

4. Policy-makers

They have to ask themselves:

- Is the training system still up to date or does it live up to the expectations and requirements of industry?

Ladies and gentlemen,

This is a very dense agenda you are dealing with here. I didn't want to convey the impression to you that the Federal Employment Office in Germany has found a panacea when dealing with these problems because I don't think that there is one. I do hope that some of these questions can be answered after this conference. I think that you are tackling these problems in a serious and constructive way and therefore, I believe that this conference can lead to excellent results in the field of European educational policies.

I hope that we will have an interesting exchange of ideas and I thank you for your attention.

3 Annie Boudier, Patrick Werquin Experiences in Seven Member States - Key Issues of the National Reports

Patrick Werquin:

It is not an easy task to compare the policies on "Transition from Vocational Training to Stable Employment" in seven Member States. The seven reports before you are very different, different in a lot of aspects. They talk about the same broad issues but links are difficult to establish. We'll try to draw your attention to some of the striking features or some of the key issues that are in these reports. I will focus on the main issues and my colleague Annie Boudier will go into details. As far as we can, we will try to give some examples of the countries but we won't cite any single report all the time because, again, these reports are a bit different from each other.

The 1997 'Education at a Glance' OECD Book reveals an interesting trend in youth unemployment: For all the seven countries unemployment goes down when the level of attainment in the educational system goes up. But the discrepancies between the countries are huge. So, that is probably the reason why we are here to talk about unemployment of young people. I would like to talk about the issues we are going to discuss, even in a marginal sense.

First of all, the **transition systems**. When I talk about transition systems, I mean the link between educational system or training system and stable employment. I would propose that for four countries, namely Spain, France, the UK, and the Netherlands that is the design that you have to have in mind when you talk about these countries. You have a clear difference between the initial system and stable employment. But as soon as you start to talk about that you have several definition problems here. First of all, what is the definition of the initial training and educational system? That is kind of an easy definition, the bigger problem here is what do you talk about when you talk about stable employment? Because most people might have good employment and lose it later on and this is why we need longer-term data on people in the labour market. In France for instance we need six or seven years to say something smart about stable employment. And as soon as you do that you have here the labour market intervention. So, that would be the main way of talking about transition from initial education or training to stable employment. Two subsequent periods and in between labour market intervention, state intervention. Talking about state intervention, I want to say very quickly that in most of the countries because of the state intervention the situation is very complex. You have almost everything in between what is a clear educational system and what is a clear stable employment. You have precarious jobs, you have temporary employment. All these situations in between make the situation very complex for us to try to figure out comparable trends and issues. And talking about this system here, we can also talk about early drop-outs. That is the main worry for instance in Denmark and other states. That means we need a link between initial education and training and employment. That is the first transition system we have in mind and the second one obviously is called the dual system and you all know it. But even here the situation is not so clear because obviously you sometimes have a problem providing a sufficient number of training places. What we are witnessing really is not a clear difference between the two systems but we are moving towards a mixture of all the systems. For instance, France is moving towards a system where you have a difference between the two systems and a sort of dual system through all the schemes

here. We have a sort of dual scheme here and in between here again, the people are trained at the same time and they are in so-called stable employment. And even in other countries, again for example Denmark, people being in a dual system at the very end of the training period do not stay in the enterprise and they leave the enterprise. So, what we are witnessing really, is not a clear difference between the dual and the non-dual system or the ordinary system - it is more a mixture of the two systems. This is the **first issue** we want to talk about.

The **second issue** is about **quality recognition of the training**. I will be very brief here because I don't want to spend too much time on every single issue but mainly the point I want to make is: Who assesses the quality of the training? Who builds the qualification system in all these countries? The second issue is linked to the issue of labour market outcomes of young people going through vocational training or the dual system. Is the diploma per se a very good signal for employers or is it just the question of having the training or not. If you take France, for instance, the piece of paper, the diploma is very important, it is almost the main determinant for finding a job or not. Talking about vocational training and the labour market outcome, it would be nice to talk about the certification and the recognition of vocational training in the seven countries involved.

The **third point** is about **youth schemes**. Most of the reports talk about youth schemes, youth programmes and they all talk about the price of the labour force, mainly saying that the youth labour force is too expensive. Most of these schemes are targeted at improving training, improving flexibility, improving work habits for these young people by working in team, having strict time tables, respecting deadlines, etc. All those reasons are given in almost all the reports for implementing training schemes. So, the question really is about the price of the youth labour force. Is the youth labour force really too expensive? Is it too expensive compared to the level of training, is it too expensive compared to the level of experience, is it too expensive compared to something else. Talking about these schemes, I didn't come across in the papers the issue of creating the demand. I think this a good question to ask. Do these schemes create a new demand for labour or is it just a substitution effect? One issue I also came across in the reports is dual system as opposed to non-dual system with youth programmes. Are we witnessing the point where the two systems are about the same because other countries like Spain or France where there is no dual system they have implemented so many youth programmes that now we are almost moving towards a dual system. I don't talk about evaluation and assessment of these programmes here because this is a big issue and we probably need a two-day meeting to talk about evaluation. Nevertheless, the issue of selection in these schemes is to me a good question because we have strong evidence that the best people often enter the best schemes and so, they find a job afterwards which leads us to the question of the added value of the schemes, what is the added value of this training?

The **fourth issue** in the reports is about the **mismatch between training and occupation**. I am not talking about poor planning, I am talking about the mismatch between what people learn in the training system and what they really do in their jobs. You could have a positive way of talking about that, when you talk about flexibility instead of mismatch. If young people are trained for something, they can do something, which means that they are flexible in the way the system is successful in preparing them for the labour market, whatever they do. The negative way of putting it is to say that if you don't provide young people with a job related to their training you could have a loss of productivity because if people are unhappy with their job you could have a high turnover and turnover costs for the employer.

The **fifth issue** is **gender difference and equality**. Again, I don't want to spend too much time here because gender difference is a very well-known issue and again we find issues of

wage difference, wage discrimination. We very often find in the reports the issue that most of the females are trained in the service sector and most of the males are trained in the industrial sector. And we also find cases where young females stay less in studies, as in Austria for instance, whereas in Spain for instance the duration of studies for females is the longest one. Talking about gender difference, there is also the issue of age difference and especially in France where you see the burden of unemployment at the two extremes of age distribution. Throughout the labour market you see that young people are targeted and almost retired people are targeted. So, if you look at the age distribution of unemployment, the main burden is on the young people and on the old people. And the age class in between is kind of safe from the unemployment point of view.

The **sixth issue: Individual wishes and labour market opportunities**. I came across that in the Danish report and I think it is a very good idea to talk about that. Do young people make a decision on vocational training according to the labour market opportunities? I think that is a very good question. I am convinced that at least in France - the country I know best - young people do not make their decision according to the labour market. But still, I think it is worthwhile to rise the question. Why do young people decide to follow this vocational track rather than the other one. We can talk about the parents' choice, we can talk about the proximity of the training establishment, we can talk about anything. But in the Danish report Jørgen Mørk talks about the supremacy of individual choice and I think that is a good question to talk about. People make such decisions and is there something to do about that.

The **seventh issue** is about **target groups**. I have been surprised about the recent developments in the policies. For instance, in France, with the youth employment we are moving towards the situation where there is no targeting. To enter a youth employment scheme, you just need to be young - that's it! While, for instance, in the UK they are moving in the opposite direction. Now they are highly targeting their programmes, for instance with the New Deal. I was wondering why the countries move in such different directions and how come that they make different diagnoses, or are they wrong? But the issue of targeting is a good issue and talking about France again, we have strong evidence that the targeting doesn't work. We are supposed to target the programmes at some category of young people but when you look at the reality, they do not match with the design of the programme. Young people are very different in the programme from what they are supposed to be. For instance, you target the programme at low-qualified, low-skilled people and in the end you find one third or two thirds of those young people are highly qualified. Reasons for that are that the programmes have a very good reputation or the subsidies are good.

Finally, labour market outcomes - something I found in most of the reports was that we are not only dealing with the unemployment issue. We don't want to get rid of unemployment only. We don't want to provide precarious jobs for these young people. We want to make sure that they will keep the job for some time and we want to be sure that the job fits more or less with what they have learned in training or what they want to do, etc. So, the benchmark, to conclude, is not simply employment but it could be something else like the quality of the job or job quality improvement.

This is what I wanted to say about the general issues and I would like to give the floor to Annie Boudier now to talk about details.

Annie Boudier:

We have tried to analyse the main characteristics of the schemes and measures being put in place by the various countries and we have finally distinguished five different types: financial

incentives to employers, incentives to young people, flexibilization, guidance and advice, and job and enterprise creation.

What we sense in view of the frequency of **financial incentives to employers** which are represented in fact in all the countries, it seems to us that this is to counteract something which we would call an adjustment factor in the sense that our analysis is to say that young people and the use of young people in the labour market are a means to employers to adjust to the variances in the economic cycles. Most of the adjustments that are made along the lines of adjustment to economic cycles are done by the young people and this is why I think that we have in most of the countries a strong problem of youth unemployment.

Now, a second line I would like to emphasise is on **guidance, counselling, and advice** because it does make a big distinction between the three countries of the dual models (Austria, Denmark and Germany) and the others. In the sense that it is very much emphasised in the countries of the dual models because it is one of the preventive measures of the second threshold. Qualitatively, these measures of guidance, counselling, and advice do make a difference between the systems because in the countries who do not apply a dual training model counselling and guidance really are not as strong and do not play such an important role in terms of preventing unemployment of young people or preventing their orientation towards education tracks that are not those that are more promising in terms of employment.

There are also some examples of incentives for young people, of **flexibilization**. When we are talking of flexibilization in this context we are thinking of measures that are for example fixed-term contracts or part-time contracts for young people. That kind of measures we are referring to. In that sense in terms of flexibilization of the labour market for young people I think that one of the best examples would be then Spain that had a very strong policy in the eighties of flexibilization of the labour market in terms of employment contracts specifically targeted for the young people.

A new development in terms of youth unemployment seems to be appearing in two countries, the Netherlands and the UK, in the sense that both reports mention that there is a strong decrease of unemployment rates and also quite a strong decrease of the youth unemployment rates. What happens then in these countries is that through the policies targeted to the young people they are moving towards the treatment of those **special needs** because those that are now remaining unemployed are those who have most problems of adaptation in employability. I think that this notion of targeting towards these special needs is one of the working groups we are having tomorrow and in these two countries this targeting towards special needs seems to be residual in the sense that this targeting takes place because it is only the young people with special needs that are left in the unemployment market. It seems to me that what is happening in Germany through the new programme is also very much targeting to special needs but not in the same residual manner as what is happening in the other countries and this could possibly be a good start-up for a discussion in one of the working groups we will have.

I'd like to further comment on the issue of the so-called **second threshold of integration** because as you will have understood from what Patrick was saying and from what I am still commenting on, is that at least in four countries out of the seven - France, Spain, Netherlands and the UK - we are not really concerned about the second threshold. We have one threshold, it is the one between education and the labour market. On top of that, most of the schemes that are being launched in these countries are targeted to the least trained, the least qualified young people. Despite this targeting and despite the fact that we are speaking of only one threshold, we can see that there is a deviation of most of the schemes towards

the most educated people. Despite the fact that they were supposed to be for those in most need of support to integrate the labour market, these youngsters do not benefit from those schemes that are most relevant to support the entry on the labour market. What we see in these countries is the building up of hierarchies between the existing schemes. The most educated ones or those who already have a diploma, a degree, find themselves in some of the schemes. So, by default we are speaking of a second threshold because our schemes are in fact supporting the entrance on the labour market of those already trained, already holding a diploma and still having difficulties entering. So, by default we are speaking about the same thing but it is not what the schemes were meant to be doing in these countries. When it comes to the three countries with dual training systems, the main problem mentioned in the three reports that are quite convergent on that, is that in spite of the advantageous dual system and the very high capacity of integration compared to the other systems, there still was a pretty high hierarchy in the dual systems. A hierarchy in terms of the specialisation chosen - people being trained in banking don't have the same problems in the labour market as those trained in hairdressing. A hierarchy also in terms of in what enterprise have you been able to conduct the practical part of your training. All three countries put a big emphasis on supporting the second threshold in what they call complementary education ("Zusatzqualifikation") and all three countries are very preoccupied along these lines. Questions being asked on the necessity of complementary education in terms of giving a comparative advantage on the labour market for these people, possibly because there was an overproduction. The question is whether it is necessary today and how is this question answered in these countries despite all the similarities.

To finish up, I would like to stress that in spite of all the differences we have seen in the reports which were drafted for our purposes today, we see much similarities in the nature of the measures and decisions that have been taken as we see incentives for employers which are existent in many of the countries. How come that in very different contexts not only in terms of organisation or policies but in a labour market context very similar measures are being taken. Can it work? Possibly we have not been inventive enough or possibly there are some more things to be invented in terms of intervention. Or does it only mean - and this is what I would prefer - that we have to continue the exchange of ideas such as today and concentrate more on the conditions under which we are making use of the same tools? This would justify the reason why we are here. We still need to continue discussing these issues.

4 National Reports

4.1 Rolf Schmidt National Report Germany

4.1.1 Transition from Vocational Training into Stable Employment in Germany during the 1990s

General shifts and restructuring processes in the EU labour market have an impact on labour market integration of young people having completed vocational training. The special issue at stake (transition from initial vocational training into employment in Germany, the so-called Second Transition) can be summarised as follows.¹

Since the beginning of the 1990s, Germany has experienced, above all, an economic reorganisation process (only partly due to cyclical changes). The current restructuring and rationalisation process is taking place because of the reorganisation and reduction in specific sectors (including former growth sectors such as the chemical industry and electronics), an increase of new communication and information technologies, and the growth of related service sectors. The impact on crafts is of secondary importance. This process goes hand in hand with a reorganisation of work processes (and accordingly, changed requirements of skills for everyone from skilled workers up to executives).

One aspect of this general statement is, however, clearly contrasting the explanation patterns regarding transitional problems of the 1980s. While there are projections of a slight economic recovery, all analyses on the current change of the labour market expect a further reduction of employment beyond the year 2000 and no essential decrease of hard-core unemployment.

With this certain detachment of the labour market from cyclical economic developments, there is hardly any hope - compared to the 1980s - for an economic recovery easing the situation in the labour market and correspondingly, an improvement of the second transition. Neither can we expect a "natural" solution based on demographic developments (low birth rates).

Due to the hardening structural hard-core unemployment, unemployment affects to a high degree those who have a low skill level, namely unskilled workers and new entrants to the labour force which is why the barrier of the second stage is increasingly becoming the centre of interest among public experts and more and more difficult to overcome by those affected.

Currently (1998), there are 476,000 people under 25 registered as unemployed in Germany. 263,000 of them (55 per cent) have not completed vocational training. It must be attributed to the efforts of public agencies supporting disadvantaged young people in the transition from

¹ Fricke, P.: Zweite Schwelle – was ist neu am alten Problem?; in: GEW (ed.): Benachteiligte und Berufsausbildung; p. 87 – 100; Frankfurt 1997

school to vocational training (1st stage) that this number is not considerably larger.² However, it also has to be stated that the promotion of in-plant training and external training only postpones part of the current problems to a later point in time as training schemes have not yet been successful in creating new jobs in the labour market. After all, 45 per cent (about 213,000) of unemployed people under the age of 25 have by now completed vocational training.³

4.1.2 Dual System and the Second Stage

The generally difficult situation in the German labour market throughout the 1990s has its long-term effect on the entry into the labour force of new entrants having completed a dual training (in-plant training and vocational school). The Federal Ministry of Education and Research (BMBF) in its "Berufsbildungsbericht 1998"⁴ (Report on Vocational Training and Education, 1998) estimates that as early as in 1996 there were 120,000 trainees who had successfully completed a training (for occupations regulated under the Vocational Training Act) who had to register as unemployed directly after completion of their training. This corresponds to a proportion of more than **25 per cent of all trainees** having successfully completed a training compared to a total of 471,000 successful examination candidates in that year. Comparisons with previous years show a continuous increase in the mid-90s of the percentage of skilled workers and employees having completed training who had to register as unemployed directly after completion of their training.

Table 1: Development of Unemployment Directly After Completion of Training

Number of Trainees having completed training without subsequent employment	Year	Percentage of all Trainees Having Successfully Completed a Training
	1993	18%
	1994	20%
111,000	1995	23%
120,000	1996	25%

Therefore, the percentage of trainees who had to register as unemployed directly after completing their training rose by more than 38 per cent between 1993 and 1996.

Furthermore, it has to be taken into account that the group of "successful" entrants into the labour market also includes a considerable number of people who had to put up with occupations different from what they were trained for and/or with fixed-term employment contracts as well as with unskilled working situations.

² In 1997, more than 48,300 young people participated in an external training and 63,500 received training allowances according to SGB III; from: Grunddaten zur Benachteiligtenförderung, in: BWP 28/ 1999/1, pp. 28 ff.

³ Cf.: Ausbildung, Qualifizierung und Beschäftigung Jugendlicher – Sofortprogramm zum Abbau der Jugendarbeitslosigkeit; ibv Publikation No. 2, January 13, 1999

⁴ Cf.: BMBF (ed.): Berufsbildungsbericht 1998; chapter 4.1.

Concessions of this kind are increasingly becoming not the exception but the rule as proved for instance in the survey conducted in 1995 by the Federal Institute for Vocational Training Affairs (BIBB).⁵

The second transition is particularly precarious for young people from the new German länder. 40 per cent of those who had completed vocational training there in 1996 had to register as unemployed.

This situation is a result of even worse general conditions in the labour market in the new länder and of the higher percentage of external training (due to the lack of in-plant training places). As there is principally no subsequent employment opportunity with these training institutions, those externally trained have to turn to the labour market where they are confronted with their competitors trained in a company.

A sample survey with more than 1,000 young adults who had successfully completed vocational training between 1992 and 1996 in the new länder shows that there are no jobs in the vicinity of their home town in the field of occupation they were trained for. 57 per cent of all those interviewed regard the regional opportunities in the new länder as bad or very bad. Only about 30 per cent of those interviewed state a positive occupational development regarding their ideas and wishes.

This is also reflected in the fact that from 1996 to 1997, only 40 to 43 per cent of those interviewed were able to find a job in the field of occupation they were trained for.⁶

Correspondingly, the acceptance of one's own choice of occupation is much lower in the new länder than in the old. While in the new länder only 40 per cent would make the same choice of occupation again, comparable surveys in the old länder show that the acceptance of the choice of occupation there amounts to 60 to 70 per cent.

4.1.3 Participants of the Scheme to Promote Disadvantaged People (BNF) at the Second Stage

In spite of the fact that under the current labour market conditions a completed vocational training does not necessarily guarantee successful labour market integration, it can be assumed that employment opportunities in the future will be even worse for young people without recognised vocational qualification.

Prospects in the labour market for unskilled people will rather continue to deteriorate; the Institute for Employment Research (IAB) estimates that the percentage of unskilled people in the labour force will decrease from just under 20 per cent to about 10 per cent by the year 2010, i.e. one out of two jobs for people without formal vocational qualification will be lost.⁷

With this in mind, there is no alternative approach to the educational maxim "qualified vocational training for everyone" constituting the background for external training within the

⁵ Cf.: BMBF (ed.): Berufsbildungsbericht 1997; chapter 4.1.

⁶ BIBB; Forschungsprojekt 1.5010: „Ausbildung, berufliche Integration und Weiterqualifizierung von Berufsanfängern in den neuen Bundesländern und in Berlin (Ost)“

⁷ Cf. Tessaring, M.: Langfristige Tendenzen des Arbeitskräftebedarfs nach Tätigkeiten und Qualifikationen in den alten Bundesländern bis zum Jahre 2010. Eine Aktualisierung der IAB/Prognos - Projektionen 1989/91, in: Mitteilungen aus der Arbeitsmarkt- und Berufsforschung, Sonderdruck, 27. Jg., 1/1994, p. 8

framework of the Scheme to Promote Disadvantaged People in Germany. This remains true in spite of the fact that labour market integration for externally trained young people has deteriorated in the 1990s and even though training, at least in many partial sectors, is conducted beyond the skill needs of the labour market.

Unfortunately, there is at the moment few representative and specific data on the transition into employment - the so-called "Second Transition" - of disadvantaged young people after completion of external training. (There is need for further research in this field in Germany.)

However, a sample survey by the BIBB finds partly alarming evidence on the situation of young people having completed a training in the new länder in the period between 1994 and 1995:⁸

Occupational integration of externally trained skilled personnel turned out to be noticeably more difficult than of trainees who have completed in-plant training. As the following table shows, it took six months after completion of an apprenticeship for more than half of those externally trained to find a job. Even without taking into consideration the ones doing their military service or alternative service for conscientious objectors, the employment rate during the first ten months after completion of vocational training does not exceed 54 per cent.

Employment in a different occupational field which was taken up (after six months) by one out of three externally trained people in employment (only one out of nine people with in-plant training) plays an important role in finding a job.

Table 2: Occupational Integration of East German Trainees Having Completed Training

In-Plant Training:			
STATUS	Immediately after completion of a training	6 months later	10 months later
Employment in the occupation trained for	71%	68%	61%
Different occupation	5%	9%	11%
Unemployed	19%	10%	8%
External Training:			
STATUS	Immediately after completion of a training	6 months later	10 months later
Employment in the occupation trained for	22%	34%	31%
Different occupation	5%	17%	18%
Unemployed	69%	34%	26%

⁸ Ulrich, G.J.: Verbleib ostdeutscher Ausbildungsabsolventen nach Ablauf der Lehre; in ibv No. 39 of September 25, 1996

Reduction of unemployment runs opposite to the development of employment for those trained externally. The unemployment rate being at first 69 per cent (compared to 19 per cent for those with in-plant training) decreased during the first six months after completion of training by more than half to 34 per cent and after ten months it amounted to 26 per cent. Accordingly, not until ten months after completion of training more externally trained people are working in the field of occupation they are trained for (31 per cent) than there are unemployed (26 per cent). In the case of in-plant training, however, 71 per cent have an employment contract in the field of occupation they were trained for directly after completion of training (61 per cent after ten months) and there are only 19 per cent unemployed people (eight per cent after ten months).

Evidence for specific transitional problems of young people with external training at the second stage can also be found in surveys conducted by the IAB.⁹

According to a sample survey, the employment rate of skilled personnel having completed an external training in 1994 three to nine months later amounted to no more than 37 per cent and 40 per cent were unemployed.

Therefore, it can be stated that the situation at the transition from external training into subsequent employment during the 1990s has been considerably worse than in the case of in-plant training.

These data also make clear that in the case of external training, we are generally dealing with vocational training beyond the supply of needs.

As external training facilities - contrary to the companies - cannot offer young people subsequent employment after completion of their training, the opportunities of immediate integration in the labour market for those people are definitely worse under the current labour market conditions. In addition, disadvantaged young people usually do not have a choice if they want to begin vocational training in the vicinity of their home town. They have to accept what is available and where there are vocational training places. The offers by the providers of training unfortunately very often do not take into account future perspectives in the labour market but act according to existing workshops, training staff, investment costs of the training course as well as theoretical requirements of vocational training that the target group should be able to meet.

Difficulties with the transition into a first employment relationship are in general as dependent on the labour market situation for participants in BNF as for trainees who have successfully completed in-plant training. Problems arise in particular for the following groups:

- a) Young people trained for occupations where there is hardly any demand for in the region (due to structural change within the region, oversupply of trainees, insufficient consideration of the labour market).
- b) Young people in regions where there is a general lack of employment opportunities (in particular structurally weak, rural areas, industrial locations affected by structural change, and almost the entire new länder).

⁹ Cf.: Schober, K./Rauch, A.: Gute Noten trotz schwieriger Arbeitsmarktlage; IAB-Kurzbericht No. 8 of July 13, 1995

- c) Young women because of the gender-oriented segmentation of the labour market and often because of the generally lower scale of utilisation of typically female occupations (for instance in the fields of domestic science, textiles and in the retail trade).

4.1.4 Strategic Approaches at the Second Stage

In view of the current restructuring process in the labour market the best preparation for the second transition therefore actually starts before entering into vocational training, namely with the choice of a suitable occupation. This applies not only to young people but in particular to vocational counselling institutions and training companies as well as to external training institutions.

As the regional needs for different occupations according to the specific local labour market vary considerably, it is very difficult to make distinguished statements on potential occupational risks at the second stage.

The most important objective which should be aimed at in the long term by companies, social partners, and those responsible for policy-making continues to be full employment of young skilled personnel on the basis of the occupational skills acquired and adjustment of these skills in terms of the future demand of the labour market.

Short-term expedients for overcoming the second stage possibly make sense if they succeed in safeguarding existing skills through the acquisition of practical work experience and in extending them through elements of further education.

Furthermore, there is an urgent need for new and additional employment for new entrants to the labour force (in particular in the new länder), not least of all because there will be an increasing number of qualified young people pressing in the labour market in the coming years due to the significantly increased educational participation.¹⁰

In the meantime, the new Federal Government has presented the "Immediate Programme on Combating Youth Unemployment". In doing so, it accepts the fact that because of the tense labour market situation even young people with a completed vocational training are increasingly facing difficulties in the field of labour market integration after having completed their vocational training. A completed vocational training should be able to prove it's worth through subsequent work experience. In order to achieve this goal the government intends to introduce the following measures part of which are included in the "Immediate Programme":

- Promotion of further training serving the acquisition of additional skills,
- Temporary wage subsidies to employers offering these young men and women regular employment subject to social security contributions,
- Employment aids granted to young people (analogous to transitional aids under SGB III for externally trained people; see below) for establishing and maintaining employment.¹¹

Ideally, the following strategies for combating problems at the second stage in Germany can be generally outlined and differentiated:

¹⁰ Cf.: Schönigen, K./Tuschke, H: Nach der Ausbildung fehlt die Arbeit; in: BWP 1999/1, p. 12 - 16

¹¹ ibid. p.16

1. Employment Initiatives

a) in the primary labour market: for instance through collective bargaining agreements (regulations for continuous employment of trainees) or through partially subsidised employment relationships (wage subsidies for new entrants to the labour force)

b) in the so-called secondary labour market: for instance through publicly-funded jobs for young people within the framework of "Social Enterprises" or job-creation schemes

2. Training Schemes

a) during vocational training through the promotion of additional skills

b) after vocational training through further training possibly combined with part-time work

3. Individual Support of Trainees

a) during vocational training through well-aimed individual training plans and preparation for the transition into employment

b) after vocational training through "employment aids" or transitional aids under SGB (Social Code) III

4. Initiatives on the Choice of Occupation

According to structural and regional labour market projections before deciding on initial training in a certain field of occupation

The following section is to explain in greater detail these individual strategic approaches to overcoming the second stage in Germany.

4.1.4.1 EMPLOYMENT INITIATIVES

60 districts of collective bargaining agreements in Germany with more than 9.2 million employees have regulations on absorbing apprentices into the workforce after completion of their training. They differ primarily in the question whether the employment contracts will be fixed-term contracts or permanent ones. Most agreements provide a fixed-term contract.¹²

A number of collective agreements, however, also include a combination of different variants in particular fixed-term and permanent contracts or full-time and part-time contracts. Part-time employment is regarded as the "second-best" solution if full-time employment does not seem possible. In some cases there is also a combination with regulations on partial retirement available. Volkswagen, for example, agreed on a relay model comprising a gradual increase of working hours up to full-time employment.

¹² WSI (ed.): Elemente qualitativer Tarifpolitik No. 36 – Förderung der Ausbildung durch Tarifvertrag im Jahr 1998; p. IX – XII, Düsseldorf 1999

Besides, it has to be taken into account that in most cases the employment of former trainees is "basically" agreed on or set up as a binding regulation. In the case of behavioural or personal reasons or of urgent employment problems companies can refrain from continuous employment of former trainees. In some districts with collective agreements, employers' associations have obliged themselves to place young people in jobs if employment subsequent to a training in the company is not possible.

Apart from regulations in collective agreements to overcome the second stage, a variety of support programmes covering different approaches from individual entry into the labour market up to wage subsidies have been developed during the 1990s.

In the new länder, for example, companies under Art. 249h of the Employment Subsidy Act (AFG) were established. West German states (e.g. Lower Saxony and Hamburg) have developed regional support measures relating to experience from the new länder (key-word: social enterprise or employment-promoting enterprise). In Berlin they have the Programme 501, with a modified version in East Berlin and in Mecklenburg-Vorpommern, also promoting (through wage subsidies) individual entry into the employment system.

The introduction of counselling for new entrants to the labour force dealing with the application for job introduction allowances can also help to improve initial labour market integration. Brandenburg with its "Programme for the Promotion of Occupational Integration of Young Adults" takes it even one step further (premium pay or job cheque). In North Rhine-Westphalia and Hamburg tests are being made on transferring the (originally Dutch) programme "Start".

In view of the wealth of public initiatives on supporting the entry into employment we should, however, not overlook the fact that the quantity of these offers compared with the size of the target group is rather small. Furthermore, it has to be taken into consideration that those who had just completed vocational training and had to register as unemployed were not regarded as eligible for public support, in the past. In most cases, these people first had to fall by the wayside and become long-term unemployed in order to receive support for their problems.

Not until the new Federal Government introduced the "Immediate Programme" - for the target group of skilled new entrants at the second stage - an instrument significant also in terms of quantity (aimed at about 20,000 participants) was created to ease the transition from vocational training into employment.¹³

Unemployed young people having successfully completed vocational training are named as part of this target group, as well. In order to qualify for the programme they have to be at least three months unemployed and threatened by longer-term unemployment of at least six months. Special attention is given to unemployed young people having completed external training because it might indicate a particular labour market risk.

Employers establishing an employment relationship subject to social security contributions with these young people can claim temporary wage subsidies.

Each subsidy amounts to:

- 60 per cent for 12 months, and

¹³ Cf.: Ausbildung, Qualifizierung und Beschäftigung Jugendlicher – Sofortprogramm zum Abbau der Jugendarbeitslosigkeit; ibv Publikationen No. 2 of January 1, 1999, p. 84

- 40 per cent of the collectively agreed wage or local wage rate for 24 months.

4.1.4.2 TRAINING INITIATIVES

Through the acquisition of additional skills and specific qualification profiles during or after vocational training, competitive advantages can be gained especially by externally trained young people. Acquiring additional skills is possible in almost all occupations. Some providers of BNF, for instance, offered to take an examination in welding technology during vocational training for metalworkers or to obtain one's driving license in this period of time.

Additional qualification profiles in the field of environmentally-friendly procedures, the saving of energy, or modern communication technologies could also be integrated into existing training courses and if there is a need and interest on the side of the young people it could continue as a further training measure.

Useful additional skills for the wide-spread externally trained occupation of housekeepers could be offered as well which would lessen the high unemployment risk in this occupational field. One idea would be to extend their vocational training through skills in the field of nursing old and sick people. Combined with obtaining their driving license, housekeepers could then be employed in the field of mobile personal care.

Acquiring additional skills during vocational training is, however, possible only to a limited degree. On the part of the providers of training the reasons for such limitations include additional costs, organisational adjustments, and further training of the staff. On the part of external trainees, it should be taken into consideration that we are dealing with slow learners possibly also having social problems, i.e. young people already having difficulties to complete their training within the regular period of training. Nevertheless, some providers of training have had positive experiences in this field regarding an increasing motivation of their trainees. At the same time, it can be of advantage to give an overview of additional areas of occupational skills which might lead to a growing interest in further training after the completion of initial training.

Independent of the kind of initial training - in-plant or external training - the "Immediate Programme"¹⁴ offers extended opportunities for further education after the completion of initial vocational training. Because of the difficult labour market situation for new entrants to the labour force, those affected (an estimated number of 25,000 participants) can be supported through further training in the form of acquiring additional skills (increasing or extending existing knowledge) in order to facilitate their entry into working life. In order to gain first work experience, the participation in in-plant training measures can also be supported.

Participation in further training measures is being promoted through financing the costs for further training as well as through a maintenance allowance.

¹⁴ Cf.: Ausbildung, Qualifizierung und Beschäftigung Jugendlicher – Sofortprogramm zum Abbau der Jugendarbeitslosigkeit; ibv Publikationen No. 2 of January 1, 1999, p. 84

4.1.4.3 INDIVIDUAL SUPPORT

Individual Training Plan

Identification of an individual skill profile or guidance for individual occupational prospects during the training (following the concepts of promotion of training for individuals or empowerment) help to direct the issue of securing the future of trainees into the right channels of self-responsibility and by doing so give further support.

The simple idea behind this approach is that those trainees who know their preferences, skills but also their weaknesses and who are able to make a realistic assessment, will be in a position to make independent and appropriate decisions for their future occupational perspectives.

Trainees who know what their strengths and weaknesses are, what their individual profile looks like and how it can be further developed, also know what is good for them to be motivated and independent in

- evaluating the different paths into employment (including possible further training measures). Furthermore, and this is becoming increasingly important under the current circumstances,
- seeing oneself through periods of unemployment, and
- using the time during unemployment to further develop one's own knowledge and skills or to look for a job,
- finding occupational "employment niches" based on one's own individual profile, or
- switching over to related occupational fields,
- evaluating and accepting occupations other than those trained for if necessary, and finally,
- presenting oneself (one's own profile) advantageously and self-confidently to a potential employer.

Sociopedagogical transitional aids according to Art. 240 et.seq. SGB III

In the case of unsuccessful job-search after completion of vocational training, carefully directed sociopedagogical aftercare can attend to important aspects of supporting trainees who have successfully completed a training. First employment relationships after completion of a training often tend to be characterised by a certain instability. In these cases, aftercare can also provide an important element of orientation and stabilisation.

As early as of August 1, 1994, the legal framework for the funding of corresponding transitional aids for trainees having successfully completed external training (BüE) was introduced. Accordingly, the Federal Employment Service can grant up to 6 months of sociopedagogical help for trainees from external facilities after completion of a training with their consent if this is necessary in order to establish or maintain an employment relationship.

In the corresponding statement of reasons it says: Through further funding of necessary sociopedagogical help this revision is aiming at the reduction of impediments to the transition of disadvantaged young people from vocational training in inter-company training centres into employment and at accelerating the process itself. With the coming into force of the new im-

plementing regulations for benefits according to Articles 235, 240 to 246 SGB III, transitional aids since 1998 have not only been granted for trainees who have successfully completed an external training but also for those who have successfully completed in-plant training supported through training allowances (abH).¹⁵

The provider of training generally receives a flat-rate allowance for personnel, material, and administrative costs of DM 190.-- per month for each participant.

Transitional aids are meant to lead to the establishment and maintenance of an employment relationship. In this context it is also important that trainees after having completed a training do not get into social isolation but to give them the opportunity to work off the new experience and have an exchange of ideas with other young people in similar situation.

The measures on the part of the provider of training or provider of training allowances are to include the following areas:

- Individual care for the trainees during the final phase of their training. Vocational guidance for the trainees in co-operation with the employment office.
- Application training and help with applications and job interviews.
- Counselling and mediation in the case of threatening or existing conflicts in the company.
- Support in the case of unemployment, counselling in the field of how to deal with authorities and agencies, help regarding legal issues.
- Information and guidance on further education and training measures as well as on job-creation schemes and youth employment projects, maintaining contacts with relating projects in the region.
- Organisation of meetings with former trainees to exchange views among young skilled workers, unemployed people and future trainees.
- Realisation of week-end seminars to cope with occupational and personal problems relating to the transition from training into employment.
- Guidance in the field of difficult social problems - outside working life, as well.
- Maintaining contacts with local companies, chambers, local authorities, and labour administration in order to establish a lobby for unemployed trainees who have successfully completed a training.

Employment-related support within the framework of the "Immediate Programme"

The above-mentioned concept can now within the framework of the "Immediate Programme" be extended to trainees having successfully completed in-plant training.

Analogous to the transitional aid granted according to SGB III for establishing or maintaining an employment relationship, employment-related support is to be offered (among other things sociopedagogical help) in order to relieve companies during integration.

These support measure include above all guidance and support during the initial phase of employment. This includes, for instance, evaluation of initial difficulties in the employment relationship, co-operation with employers, works councils or staff councils in order to stabilise

¹⁵ Cf.: Dienstblatt der Bundesanstalt für Arbeit: Dienstblatt-Runderlaß 8/98 of February 16, 1998

the employment relationship particularly in situations of threatening or existing conflicts, support in stabilising the personal situation so that young people in their initial phase of employment can concentrate fully on safeguarding their job and in order to exclude working time lost.¹⁶

The offers in the field of sociopedagogical aftercare for trainees having completed a training within the framework of transitional aids or employment-related support, however, will only succeed in promoting integration into employment if the quantity of (publicly subsidised) subsequent jobs is extended at the same time.

4.1.4.4 INITIATIVES ON THE CHOICE OF OCCUPATION

The question of useful careers for trainees can only be answered in close connection with the economic development of a certain region, especially due to the sometimes extremely varying significance of specific sectors, economic and industrial branches.

First of all, therefore, the following questions with regard to the choice of recognised occupations have to be asked:

- What general trends in the field of economic developments also hold true for a specific region?
- What kind of economic structure is predominant in this region?
- What branches are expected to reduce the number of jobs and where is a demand for jobs to be seen?
- What is the objective in the field of regional economic support and local developments?

To answer these questions working groups or labour market conferences are to be realised (and in many regions already operating efficiently) on a regional basis at least for the planning of the supply of training places according to SGB III (for disadvantaged young people). These are meant to be a forum for the exchange of information and evaluations by all entities involved as well as for the co-ordination of further planning.

On the other hand, within the framework of other programmes on the promotion of initial training (such as the recent "Immediate Programme" by the Federal Government) aimed at facilitating initial vocational training and access to employment in co-operation with companies and trade unions, we should direct our considerations regarding the sufficient supply of training places beyond the issue of quantity. The dimension of the choice of occupations should also be included in this discussion given the occupational perspective subsequent to a training.

Thus, it would be a good idea to establish conferences on the situation of the labour or vocational training market on a regional level under the auspices of the corresponding State government and the Regional Employment Office in order to increase the consideration of subsequent employment perspectives when establishing training places.

¹⁶ ibid. p. 85

4.1.5 A Positive Example: The Pilot Project "Triade"

Finally, the well-trying concept of the pilot project "Triade" conducted by a provider of BNF in Hamburg is to be presented as a signpost for the problematic issue of integrating externally trained young people.¹⁷

Within this pilot project different approaches to improving key skills of trainees as well as placement prospects, and flexible transitional pathways were tested. In particular, the following strategies came to the fore:

- Organisation of flexible and varying pathways for the transition into the employment system - within the framework of a co-operation association
- Elaboration of an individual skill profile and the setting up of individual vocational perspectives
- Establishing fields of working and learning in relation to in-plant training - diversification of know-how through well-aimed application of practical working periods (commissions within the training, specialised projects and social projects such as foreign exchange within the EU)

Within the framework of a co-operation association "Educational Workshop Triade", three pathways were established for the transition into employment which are applicable already during vocational training:

1. Working in an external business establishment, as far as possible in the occupation trained for
2. Working in a co-operation company (independent, industrial enterprise) with a co-operation agreement within the framework of the association
3. Measures for gaining first work experiences with the provider of job-creation schemes who is also member of the co-operation association

Supported by the staff from the training institutions, the transition into one of the three mentioned alternatives was prepared (priority: external business enterprise) and it led to rates of integration into employment of more than 80% (two years after completion of the training). Some of the external business enterprises were known to the trainees due to periods of practical training. The alternative approaches no. 2 and 3 were definitely known to them (because of spatial proximity as well as periods of on-the-job-training in the co-operation company or work put out to contract, partly undertaken together with the provider of job-creation measures).

Independent of the factor "economic upswing", this system with a number of alternative approaches has proved it's worth for the transition into employment. In those cases where the transition into external business enterprises or co-operation companies did not work out at the first attempt, temporary solutions by the provider of job-creation measures of gaining first work experience could help to brush up skills and to gain working routine.

¹⁷ Fricke, P.: Zweite Schwelle – was ist neu am alten Problem?; a.a.O.; p. 92 ff.

Thus, transition can be developed into a permeable and flexible pathway allowing for interim solutions as well. These interim solutions are certainly helpful at this point in times where the barrier of the second stage which has to be overcome is particularly high.

Another question of the pilot project was: How can we foster the elaboration of an individual skill profile or of individual occupational prospects?

This approach to securing one's future seems to be on the safer side in the long run than relying exclusively on future-oriented labour market projections. The element of elaborating an individual skill profile/occupational prospects was organised as part of the project in the following manner:

- Various working areas with different occupational orientations were offered to be passed through according to an individually set up training plan (differently oriented periods of practical work, work put out to contract, projects).
- Each trainee had to attend at least three process-related counselling sessions at decisive points of time during the training (in the beginning, after periods of practical work, projects, work put out to contract, after intermediate examinations or a longer period of vocational school). During the time of the pilot project the results of this counselling were written down and evaluated. Thus, the experience and prospects of each trainee can be reflected upon in the context of one's own profile and can be discussed (with obligatory agreements on the continuation of the individual training plan).
- This kind of guidance parallel to the learning and working situation helped to continue with the development of an individual skill profile together with the trainee and laid the foundation for the decisions on future occupational prospects. The choice of one of the transitional possibilities (external company, co-operation company, first experience measures, further education) could thus also be prepared.

In times where the opportunities for a smooth transition into the system of employment are becoming increasingly unfavourable, these two strategies of the pilot project "Triade" presented here could become part of a concept to overcoming the second stage.

- By means of process-related counselling sessions the individual opportunities of the trainee can be improved and a contribution can be made to finding an individually appropriate occupational perspective.
- By means of the association or co-operation structure different pathways into the employment system are being offered (including the expedient "temporary work" and "publicly funded work") to make more approaches to the entry into employment available than just the two alternatives "work - no work".

4.1.6 Conclusions

Vocational and social integration of young people cannot be solved by training schemes and measures alone without the corresponding availability of subsequent employment. Recent developments in the labour market as a whole have made clear that the problems at the so-called "Second Stage" (the transition from initial vocational training into employment) are increasing. This holds true in particular for trainees who have successfully completed a training in the new länder and for the field of external training. In this context the additional need for action and support can be argued as follows:

For many young people the supply of training places is of such limited nature that there can be no talk of an actual choice of occupation. This has, of course, an impact on the initial training from problems of motivation up to an increasing dropout rate. On the other hand, there is no guarantee that occupations offered at that time will also be of use for the local labour market after completion of the training.

If a young person becomes unemployed directly after having successfully completed vocational training this will have a strong influence on his/her occupational development. Skills once acquired will relatively soon be lost if they cannot be applied and extended. The position of entry into working life and the first years of employment also decide on the success of the subsequent occupational career. The major significance of social integration in the company can be seen in any job advertisement: Companies are looking for young skilled personnel with work experience but the successful completion of a training alone is often not regarded as sufficient proof of experience.

Therefore, the employment prospects of young people, on the one hand, have to be taken into consideration already before and during a training and on the other hand, transitional aids and additional employment-promoting measures on initial work experience have to be made available to them after completion of their training.

Up to now, the predominant strategies and approaches to the occupational integration of young people in Germany are directed at the level of promotion of training or individual skills and at supporting the young people. These young people possibly trained as well as can be, thus, have the opportunity of improving their skills and can even be endowed with competitive advantages compared to other competitors on the labour market. Given today's labour market conditions, however, this only means that in the long run other applicants will have the difficulties in finding a job.

All the different training measures and programmes will not create new jobs - apart from the training staff. In order to safeguard integration of young people into stable employment, it is therefore necessary to include activities having a positive impact on employment. Most of the difficulties at the transition from training into employment are based on the fact that the supply of jobs is generally insufficient.

Given the current situation in the labour market it is urgent to tap additional (partially) subsidised employment sources for trainees who have successfully completed a training, offering at the same time the possibility of gaining first work experience.

The establishment of independent social enterprises with the differing concept aiming at the offer of gaining first work experience should be part of our considerations. In co-operation with private companies, these enterprises could participate in work put out to contract by public and private sectors and at the same time concentrate on innovative or additional products and services. After having completed a training, young people could gain first work experience in such social enterprises. By means of co-operation with private companies compensatory pricing could be achieved between private sector employment and partially subsidised public employment which would also create an inflow of additional commissions for the private enterprise.

Such knock-on financing through public funds is common practice with all business start-up programmes. It does not serve the distortion of the market because of wage-subsidised low-price offers but the tapping of new sources in the market. Nevertheless, the co-operation with

private enterprises should be a founding principle for social enterprises offering initial work experience.

In view of the considerable costs for training measures, this constitutes an incentive measure urgently called for - at least until different labour market instruments will lead to a noticeable reduction of unemployment as a whole.

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4.2 Ferdinand Lechner, Lucia Minecan, Barbara Willsberger National Report Austria

4.2.1 Development of Youth Unemployment and Employment in Austria

Compared with the international youth unemployment rate, Austria is situated noticeably below the European average. However, Austria has also experienced threatening levels of youth unemployment compared to the overall rate. For instance, in the mid 1980s when youth unemployment was higher than the total unemployment. The strong increase in youth unemployment due to a demographically determined increase in young people led to the fact that in the beginning of the 1980s, the Austrian Federal Government agreed on an employment and training programme for young people (job-creation schemes, education of young people through courses, promotion of apprenticeships).

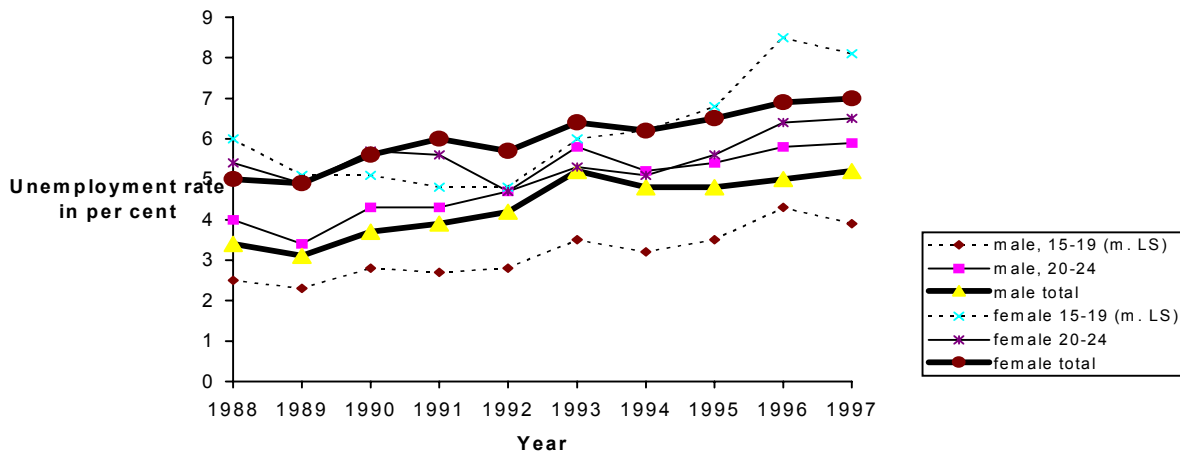
In the course of the following years, youth unemployment compared to total unemployment went down again. Reasons for this are, on the one hand, the broad range of employment and training measures, on the other hand, the tendency to remain in school education for a longer period of time as well as the decreasing numbers of young people due to a decline in the birth rate. However, the improvement of youth unemployment rates was a temporary phenomenon. Starting in 1993, the number of young people registered as unemployed went up significantly again.

A striking fact is the even higher unemployment rate of female teenagers and youth compared to the youth unemployment rate of males. Among other things this is due to the fact that women enter into the labour market at an earlier point in time than men and that the unemployment rate of women between 15 and 19 already includes the unemployment of young women with a certificate from a technical college.

The problems in the apprenticeship market of the 1990s are reflected in the rising extended unemployment rate of 15-19-year-olds which includes the group of applicants for an apprenticeship. Since 1995, we have experienced a significant growth of unemployment for male and female teenagers. The problems in the apprenticeship market can be traced back to factors on both the supply and demand side. Structural changes in the last years constitute an important factor for the declining need for apprentices. In the course of these changes, a marked reduction in jobs could be seen in traditional sectors such as manufacturing which covers a large number of recognised occupations. With regard to dual vocational training, the expanding services sector, however, plays a rather subordinate role. Nevertheless, an increase in apprentices can be viewed in the field of IT occupations. New forms of organising work and technological adaptation processes limit the possibilities of long-term personnel planning, thereby also limiting apprenticeships. Currently, substitution processes of apprentices can be noted with semi-skilled workers, above all in clerical occupations, in the field of office work and travel agency management where work requirements by the clerical management can be standardised and automated through suitable software programmes. The declining willingness to provide training on the side of the companies can be explained primarily by high training costs and the rigidity of the legal framework conditions (e.g. protection against dismissal for apprentices).

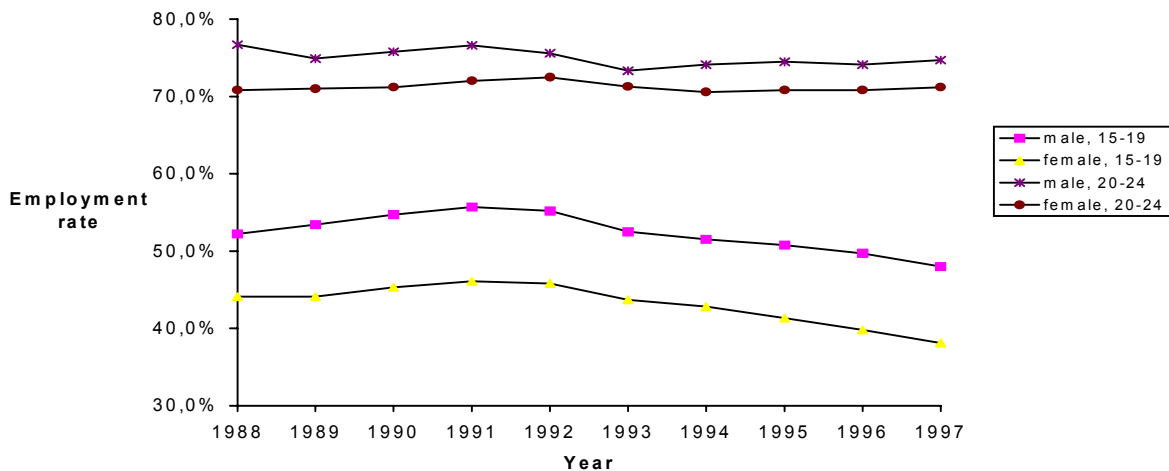
Change of school partly compensated for the sinking demand for apprentices, however, only partly because of the limited capacities of BMS (intermediate-level secondary technical and vocational college) and BHS (higher-level secondary technical and vocational college).

Figure 1: Development of the Extended Unemployment Rate 1988-1997 (as of half-year)



Note: m.LS= including applicants for apprenticeships (as of end of the year)
Source: Biffi 1999;

Figure 2: Development of Employment Rates 1988-1997



Source: AMS: Arbeitsmarktlage 1998

Labour force participation of young people shows a strong cyclical sensitivity overlapping the long-term tendency of declining labour force participation as a consequence of longer periods of education. This can be seen in the reduction in employment rates of 15-19 year-olds as well as of 20-24 year-olds during the years of recession from 1992 to 1994. Labour force participation rates of male youth are higher than of females because of the greater significance of an apprenticeship (apprentices are seen as part of the labour force) for males. In

view of decreasing apprenticeship rates, a considerable reduction in employment rates for 15-19 year-olds has been noted since the early 1990s.

Within the Austrian employment system as well, the so-called atypical occupations have been increasing. A study conducted by the AMS (Employment Service)¹⁸ on the employment status of 20 year-olds shows that 22% of this age group did not have a regular employment relationship in 1996 (young people in training were not included). 8% worked temporarily, 6% in part-time jobs, 4% as contract workers. Microcensus data indicate that particularly young labour force under 25 years (and in particular women) have to enter a fixed-term employment. The majority of the fixed-term contracts are to be found with school and kindergarten teachers, lower administrative occupations, health work - a large percentage of which is reckoned among the public sector occupations - and hotel and restaurant services.

Employment of apprentices has up to now been protected from deregulation. It is integrated in a relatively dense network of regulations which can be attributed to the strong linkage with the social partners.

4.2.2 The Educational System as Structural Framework Condition for the Second Transition

The patterns of transition from vocational training into employment are mainly characterised by educational offers, certificates, and the corresponding employment opportunities. Specific vocational qualifications can be acquired through different forms of training subsequently to the nine years of compulsory education.¹⁹ Characteristic for the Austrian vocational training system is the combination of a developed apprenticeship system with a comprehensive vocational training in educational establishments (rf. figur page 47).²⁰

4.2.2.1 TRAINING OPPORTUNITIES

Approximately 38% (1996/97) of the compulsory school leavers take up a dual training, i.e. an apprenticeship in one of the 240 recognised occupations. Experience has shown, however, that there is a strong concentration in about 20 recognised occupations for which about two thirds of all apprentices are trained.

Data on the educational background of newcomers to the apprenticeship market indicate that a total of approximately 27% (age cohort 1996/97) come from intermediate and higher-level secondary technical and vocational colleges (AHS 4.7%, BHS 8.7%, and BMS 13.6%). Depending on the type of school this refers to between 60% and 80% of dropouts, while the rest of them completed their schooling²¹. Apprenticeships thereby constitute a reservoir for dropouts from secondary schools. On the other hand, it also becomes clear that the proportion of those having successfully completed school has increased and, thus, a selection mechanism

¹⁸ Cf.: Hofstätter, M.: Qualifikationen: Gewinner und Verlierer des Strukturwandels. In: Biffi, H. / Lutz, H.: Die Zukunft der Arbeit. Vienna: Wissenschaftsverlag 1998, pp. 5-23.

¹⁹ Statistics show that about 95% of an age cohort start or continue with secondary education after compulsory schooling. Cf. Schneeberger, A. / Kastenhuber, B.: Entwicklungen und Probleme des Lehrstellenmarktes. Vienna: ibw 1998, p. 18.

²⁰ Cf. Lassnigg, L.: Das Bildungsverhalten der Jugendlichen in der österreichischen Berufsbildung und einige Aspekte der Qualifizierungspolitik. In BMAGS (ed.): Jugend, Bildung, Beschäftigung. Vienna: 1997

²¹ Cf. BMWA: Berufsbildungsbericht 1997. Vienna: 1997

is set in motion discriminating newcomers from lower secondary schools. Young people for promising and attractive recognised occupations are primarily recruited from AHS (upper general-education schools) and from secondary school dropouts, whereas compulsory school leavers are recruited to the more unattractive occupations. Traditional occupations for skilled workers in the metalworking industry are recruited to a large extent from the field of polytechnical education, recognised occupations for women present a disproportionate number of intermediate school leavers. Throughout the duration of their training (generally 3 years, sometimes up to 4 years), apprentices attend vocational schools providing theoretical and practical training. Master craftsmen take charge of the training in the company on the basis of national curricula. The filling of apprenticeship posts occurs through placement by the Labour Office or through direct application to the companies by the young people themselves. The companies decide whether or not to accept an applicant. The dual training system provides for final examinations - although not compulsory - and a leaving certificate, for instance a journeyman's certificate.

Since the mid 1990s there has been a drastic decline in apprenticeship posts and accordingly a massive increase in registered applicants for apprenticeships. This development has called to action the political players and as a consequence, corresponding interventions for promoting apprenticeships have been introduced (see below).

Intermediate and higher-level secondary technical and vocational colleges represent a second important field of vocational training in Austria. Intermediate-level secondary technical and vocational colleges (BMS; 13.7% of all pupils in 10th grade) include in particular technical colleges in the fields of technology, trade, wearing apparel, tourism, office and administration, social services, housekeeping, and agriculture. The duration of training is between 2 (which is, however, the exception) and 4 years. Successful completion of this training includes a degree which is equivalent to a dual training. This is a field of training dominated by young women.

A characteristic feature of BHS (higher-level secondary technical and vocational colleges - 24%) is the double qualification: on the one hand, aptitude for higher education (access to all fields of study) is acquired with the school leaving certificate, and on the other hand, vocational competence is acquired. The BHS dispose of the same specified subject areas as the BMS.

BMS and BHS are full-time schools requiring apart from theoretical courses in most subject areas a period of on-the-job training during vacations. The duration of the obligatory working period varies depending on the field of training between 4 and 32 weeks.

Successful completion of the second stage of AHS (21%) as a third track of secondary education leads primarily to entrance into higher education. Only a small number of AHS leavers enter into employment directly after completing the second stage of AHS (8%), less than 5% enter into apprenticeships.

A main feature of the Austrian training system is the continuously weak structure of the post-secondary level which can be seen in the low rate of university graduates and the post-secondary technical colleges slowly beginning to expand. Starting with the age cohort 1994/95, a total of about 30 post-secondary training courses with a duration of 3 or 4 years demonstrating a strong practical orientation were established in post-secondary technical colleges. New training courses can only be established if there is an analysis of necessity and if it is approved by the advisory board of the school.

Table 1: Educational Level of Pupils in 10th Grade

	1985/86	1990/91	1996/97
Apprenticeship	46.7%	47.4%	38.4%
BMS	15.8%	13.9%	13.7%
BHS	16.3%	20.8%	24.0%
AHS	16.3%	16.6%	21.0%
Not in the educational system	4.9%	1.3%	2.8%

Source: AMS/BIQ; BMUKA; ÖSTAT

Structural changes in the education and training system show that higher-level secondary technical and vocational colleges are the winners of educational expansion. Between 1985/86 and 1996/97, their proportion has increased most noticeably by nearly 8 percentage points. The worst slump can be seen in the field of apprenticeships: While in 1985/86 still just under 47% of the pupils in 10th grade chose this path, in 1996/97 it was a mere 38%. This development demonstrates the problems in the apprenticeship market having become virulent in the middle of the 1990s.

4.2.2.2 EDUCATIONAL ATTAINMENTS

Looking at the structure of educational attainments over the course of time, it becomes clear that there has been a considerable upgrading since 1981. On the one hand, this can be seen in the reduction in the proportion of people not entering into secondary education after compulsory schooling and on the other hand, in the growing percentage of those coming from higher-level general and vocational colleges. What is becoming apparent as well, are the gender-related differences in the educational structures of 20-24-year-olds. Women leave the educational system after compulsory schooling to a greater extent than men. The percentage of BMS leavers is twice as high for women than for men. Apprenticeships are still dominating the educational attainments of men.

Table 2: Educational Attainments of the 20-24-year-old Resident Population

	Male			Female		
	1981	1991	1995	1981	1991	1995
Compulsory Schooling	21.7%	19.4%	16.5%	33.6%	25.5%	21.8%
Apprenticeship	50.7%	49.1%	47.1%	26.1%	29.4%	29.1%
BMS	8.2%	7.8%	6.3%	20.9%	18.2%	12.6%
AHS	11.3%	11.9%	15.9%	11.8%	13.9%	18.5%
BHS	6.6%	10.7%	13.3%	4.3%	10.7%	15.5%
University / Academies	1.4%	1.0%	0.9%	3.3%	2.3%	2.5%

Source: ÖSTAT Volkszählung 1981 und 1991, Microcensus 1995

4.2.3 Transitional Patterns at the Second Stage

Apart from survey data at best representative for sub-populations, there is no statistical data on integration processes of trainees having completed vocational training. First indications of the problems at the entrance into the labour market can be deduced from unemployment rates among 20-24-year-olds because the majority of the young adults in this age cohort have recently completed a secondary training.

Table 3: Unemployment Rates of 20-24-Year-Olds According to Educational Attainment and Gender (1995)

	Males	Females
Compulsory Schooling	17.9%	12.5%
Apprenticeship	7.3%	6.4%
BMS	4.7%	3.8%
BHS	4.2%	3.2%
AHS	2.4%	2.3%
University / Academies	2.0%	3.1%
Total	8.2%	6.4%

Source: Lassnigg, L. / Schneeberger, A. 1997

Here we can see the direct connection of the risk of unemployment and educational attainment. People without secondary education show the highest unemployment rates, BMS and BHS leavers show a lower unemployment rate than trainees having completed an apprenticeship. Further information about labour market integration is given in empirical studies on groups with different vocational skills.

4.2.3.1 SECOND TRANSITION OF APPRENTICES HAVING COMPLETED THEIR TRAINING

Those responsible for education and labour market policies in Austria view the destination of apprentices primarily as a problem of mobility within the employment system rather than a transitional process with possible frictions. This point of view results from the ambivalent character of the apprenticeship training relationship. On the one hand, the position of apprentices is regarded as an employment relationship, and therefore, as part of the employment system, on the other hand, it is also a training relationship linked with the education system.

Studies of the early 1990s examined more closely the integration process of trainees having completed a dual training and found out that the predominant view in the dual system of a smooth transition within the company from an apprenticeship of high quality to the position of a skilled worker is merely wishful thinking that doesn't have much to do with reality. Thus, we have similar problems with the second transition of apprentices as for other trainees having completed their training. The assumption of a linkage between apprenticeship training and the development of skill needs of the company is not necessarily valid any more.

Empirical studies for one thing have made a clean sweep of the idea that an apprenticeship is a training of high quality. A survey with about 1,500 apprentices in manufacturing, trade,

and industry on the quality of the training was conducted²². Five out of the following six conditions had to be true in order for a training to be viewed as of high quality. Workplace of one's own, co-operation with a trainee, regular instructions, application of a curriculum, little work not related to the training in the year of training, little employment for unskilled work. The results showed that about one third of the trainees receive a high-quality training, while for two thirds deficiencies are present. One third met with only three quality features at the most. The quality of training is significantly better in larger companies and companies with training workshops. This means that companies often regard training as a directly profitable activity to reduce the costs (for instance by substituting semi-skilled and unskilled labour with apprentices or by saving settling-in costs) rather than an investment in human capital.

Some studies in the beginning of the 1990s were also dedicated to the process of labour market integration. Three surveys²³ on the occupational situation of trainees having completed an apprenticeship training resulted in a retention rate of 62% and 65% respectively. 13% and 10% respectively are employed in related occupations. Thus, the labour market integration of nearly three quarters of the trainees having completed an apprenticeship is marked by a continuous transition from the training into the employment system. The remaining quarter includes young people being unemployed (approx. 3%), people in a training scheme (approx. 3%) as well as people in a waiting period or doing their military / alternative service (10%).

Table 4: Occupational Situation of Trainees Having Successfully Completed an Apprenticeship

	OÖ study (1)	Austria study (2)	Kärnten study (3)
in the occupation trained for	59%	65%	62%
in the field occupation / related occupation	10%	10%	14%
different occupation due to career advancement but in the training company	5%	N/A.	N/A.
Other	26%	25%	24%
Total	100%	100%	100%

Notes: (1) Blumberger et.al.; 3-4 years after having completed training; (2) Scheeberger/Brunbauer; 1 year after having completed training; (3) Ofner; 2 years after having completed training
 Source: Schneeberger/Brunbauer 1994

Furthermore, Ofner's survey²⁴ shows that directly after having completed training about 10% leave the training company, 6 months later about 56% are still in the training company, 2 years later about 36%. A survey based on social security data drawn from a sample of new-

²² cf. Ofner, F.: Zur Berufseinmündung von Absolventen der Lehrausbildung und von Fachschulen. Klagenfurt 1993

²³ cf. Ofner, F.: Zur Berufseinmündung von Absolventen der Lehrausbildung und von Fachschulen. Klagenfurt 1993 and Schneeberger, A. / Brunbauer, B.: Beruflicher Verbleib und Zukunftspläne von Lehrabsolventen. Jugendliche an der 'zweiten Schwelle' der beruflichen Laufbahn. Vienna: ibw 1994 and Blumberger, W. / Freundlinger, A. et al.: Erfolgskontrolle der dualen Berufsausbildung. Zusammenfassung. Linz/Vienna: IBE/ibw 1994.

²⁴ see footnote 4

comers to the apprenticeship system in the years 1981 and 1985²⁵ presents low retention rates. About 17% of the age cohort 1981 and 24% of the age cohort 1985 were no longer employed in the training company (interruptions due to military service not included). It has to be taken into consideration, however, that according to the Vocational Training Act, the training company is obliged to employ the apprentice for at least another four months in the occupation trained for after having successfully completed training. Some collective agreements comprise longer periods of retention, usually six months. Against this background, shorter periods of retention in the training company are primarily attributed to decisions by the apprentices. Nevertheless, these data also make clear that a considerable proportion of companies terminate the employment contract at the expiration of the prescribed period of time.

Table 5: Duration of Retention in the Training Company

	Age Cohort 1981	Age Cohort 1985
None	16.8%	24.0%
>0 - 1 month	4.6%	5.0%
>1 month - 12 months	54.3%	43.8%
> 1 year - 3 years	15.5%	21.9%
more than 3 years	8.8%	5.3%

Source: Brandel, et.al., 1994.

These results on the destination of apprentices make clear that the linkage between the apprenticeship system and the employment system is even more indirect than expected as there are less opportunities for a direct transition of apprentices having completed a training to the internal labour markets. At the same time, however, we have to take into account that the notion of stable employment in the sense of a long-term dependent employment relationship is increasingly eroding in general - i.e. for older age groups as well. Among other things, this can be seen in the high turnover regarding severance and new formation of employment relationships. With an average dependent labour force of 3.077 million, Austria experienced in 1998 1,672,900 severed employment relationships and at the same time 1,719,500 newly established ones²⁶. It is striking that there is a disproportionately high turnover in the age cohort of the 15-24-year-olds. While the proportion of this age group to the dependent labour force is at 17%, their share in severed and newly established employment relationships amounts to 29% and 32%, respectively. These findings indicate that marked mobility processes emerge at the transition from training into employment characterised by occupational re-orientation and the search for the ideal job. It also demonstrates that subsequent to initial employment (within the framework of an apprentice relationship) many young men and women leave their original sector of entry and then find a stable employment.²⁷ On a macro level this can be seen in the pronounced differences of occupational distribution amongst the 15-19 year-old and 20-24 year-old labour force.

²⁵ Brandel, F. / Hofer, H. / Lassnigg, L. / Pichelmann, K.: Aspekte der Arbeitsmarktintegration von Lehrlingern. Einige deskriptive Indikatoren für zwei Lehrlingskohorten aus den Jahren 1981 und 1985. Vienna: IHS 1994

²⁶ cf. Synthesis / WIFO: Arbeitsmarktvorschau 1999. Endbericht. Vienna: AMS 1999

²⁷ cf. Biffl, G.: Zukunft der Arbeit - Beschäftigungssituation für Jugendliche. In: Arbeitsgemeinschaft für wissenschaftliche Wirtschaftspolitik (ed.): Europäische Beschäftigungspolitik in der Arbeitswelt 2000. Vienna: ÖGB 1999.

4.2.3.2 DESTINATION OF BHS-LEAVERS

The objectives of higher-level secondary vocational and technical colleges are on the one hand a training as much practically oriented as possible and on the other hand preparation for university, the latter increasingly gaining in importance. A study by Lassnigg (1994) shows²⁸ that 58% of HTL-leavers and 54% of HAK-leavers continue with higher education. Although the number of new students coming from other vocational colleges is lower, the proportion of about 40% is still relatively high.

In general, there is a relatively strong linkage between the field of study chosen and the specific subject area of the BHS trained at. HAK-leavers, for instance, choose to a larger degree sociological and economic sciences, whereas HTL-leavers tend to go to technical or mining universities.

The percentage of those BHS-leavers who choose to continue education might be even higher because alternatives to university such as specialised post-secondary colleges or colleges of education are not included in these figures.

The increase in students in post-secondary education is not only due to a generally greater willingness to continue with education or the higher educational requirements but is often a consequence of failed applications. 37% of HTL-leavers, for instance, who go on to university unsuccessfully applied for a job before.

In spite of all this, the occupational perspectives of BHS-leavers are regarded as relatively good. According to those responsible for recruitment, these groups dispose of better opportunities and farther-reaching fields of employment because of their greater communicative abilities and willingness to learn as well as a better knowledge of foreign languages compared to those having completed an apprenticeship training.

These factors increase competition between those having completed apprenticeship training, BMS-, and BHS-leavers. Particularly BMS-leavers are increasingly losing their position in the labour market to their competitors.

4.2.3.3 LABOUR MARKET OPPORTUNITIES OF FHS (POST-SECONDARY TECHNICAL COLLEGE) -LEAVERS

According to some first data available, more than 90% of the students having started at a post-secondary technical college also completed this and almost all of them found a job afterwards. However, there is no information available on the duration and stability of these jobs. This high employment rate can be seen as an indicator for the highly demand-oriented implementation of these studies and confirms the relatively strict procedure of approval including among other things a satisfactory proof of the need for FHS-leavers by means of an analysis of necessity.

4.2.3.4 LABOUR MARKET PERSPECTIVES FOR UNIVERSITY GRADUATES

In spite of partly gloomy employment projections and of the marked increase in university graduates, the number of academics registered as unemployed is regressive. In addition,

²⁸ Lassnigg, L.: Changing pathways and Participation in VOTEC. Country Report Austria. Vienna 1994

there was no expansion of unstable or fixed-term employment to be noted over the last years. A study by the IHS even gives proof that the duration of unemployment directly after having completed training has declined slightly since 1985. This can be attributed to a more intensive job search of graduates, to their willingness to accept employment with lower wages, and to the fact that they don't set their expectations too high.

According to the IHS study, almost 89% of these job seekers were able to find an employment. About one third of all graduates already dispose of a fixed job offer after graduation or of the possibility to continue an employment relationship established during their time of study. About 20% of the academics are employed in fields of occupation for which an academic degree would not have been necessary. About half of the entry posts are newly created. The allegation that academics more often work in inadequate fields of occupation is, nevertheless, not tenable as on the one hand, skill requirements in the labour market are continuously increasing and on the other hand, career opportunities in the specific job have to be taken into consideration.²⁹

4.2.4 Political and Structural Framework Conditions for the Transition from Training into Employment

The transition of the training into the employment system has never been the object of an explicit transition policy. Even today, the second transition becoming increasingly brittle does not play a prominent role. In the foreground of discussions, now as ever, have been the problems at the first stage (from school into vocational training). This can be deduced from the fact that since the mid 1990s, promotion of apprenticeships has gained in growing significance as the primary means to combat the decline in training posts in the company. Currently, this can be seen quite clearly in the National Action Plan for Employment placing the promotion of training for young people in the foreground. Proceeding on the assumption that the favourable situation of Austria compared to the rest of the European Union is primarily due to the quality of training, efforts are being focussed on further developing and adapting the dual system. A package of various measures is to ensure that as far as possible an apprenticeship post is available to every young person willing to be trained and fit for training.

The efforts are first of all focussed on increasing the supply of apprenticeship posts by the companies through appropriate measures. In order to reach a better harmonisation of supply and demand, measures are being taken at the same time to improve motivation and aptitude of the applicants. This makes allowance for the fact that more and more companies cannot find suitable apprentices in spite of the large number of young people applying.

In view of the demographic development, however, it is expected that these measures alone will not be sufficient to guarantee the provision of apprenticeship posts to all young people looking for one. For this reason, a range of measures were designed aiming at absorbing young people not yet placed or hard-to-place young people. The educational significance of the latter is that these measures represent a refinement of the classic dual training system. As an intermediate stage on the path from school to vocational training for a specific target group, the pre-apprenticeship was introduced. By means of vocational seminars and apprenticeship foundations, elements of the in-plant training are shifted to external facilities.

²⁹ cf. Lassnigg, L.: Zur Beschäftigung von HochschulabsolventInnen. Vienna 1998

Nevertheless, the problem of a smooth integration into the employment system is not an issue because the idea of a quasi-automatism still predominates regarding a high-quality training as a guarantee of subsequent employment.

Although no official and explicit transition policy can be made out, there are in fact some mechanisms ultimately aiming at a second transition with as little friction as can be. In fact, a smooth transition into the employment system has always been an implicit objective while designing the training system, for instance, when it comes to creating and implementing labour market-oriented curricula and imparting demand-oriented competencies. This can be seen in the organisational and legislative framework conditions. The second transition, however, was always regarded as an individual mobility problem of trainees leaving the vocational training system.³⁰

4.2.4.1 VOCATIONAL TRAINING GEARED TOWARDS PRACTICAL EXPERIENCE AND THE NEEDS OF THE COMPANIES

The linkage between training in school and practical instruction in the company within the framework of a dual training is seen as a core element of the linkage between vocational training and the labour market. Individual contracts between trainees and the company as well as the organisational setting are subject to a dense set of laws. The large degree to which the social partners are included in the dual training is to institutionalise the linkage between training and employment in terms of political interests, as well.

BMS and BHS also demonstrate structural features in favour of the transition from training into employment. On the one hand, it has to be mentioned that the teachers gain their work experience in private industry (and a majority of them continues in part-time occupations additional to teaching) leading to curricula and courses strongly geared towards the practical needs in the company. Furthermore, there are some fields of training in which pupils attending BMS or BHS are obliged to participate in practical working periods during school vacations. The duration and frequency of these working periods varies according to each school and type of school. In BMS and BHS, the linkage with the labour market is also established through boards of trustees with representatives of the local industry. With regard to practical instructions, commissions are given to technically-oriented BMS and BHS by industrial enterprises, while commercial schools simulate work procedures in practice firms. This linkage of off-the-job training with reality and the needs in the company is meant to prevent the otherwise often existing rupture of theoretical training and practical occupation, easing in fact the integration into the employment system.

4.2.4.2 SENIORITY PRINCIPLE OF THE REMUNERATION SYSTEM

Wage policy plays a major role in influencing recruitment patterns of companies. Austrian wage policy is characterised by a decisive presence of the seniority principle. Wage levels depend to a high degree on the length of service. Against this background, there is an incentive for companies to prefer younger labour force.

This pattern can be seen as early as in the apprenticeship training: Applied to a training duration of three years, the aggregate wage costs and non-wage labour costs of an apprentice

³⁰ cf. Lassniss, L. / Schneeberger, A., 1997

amount to an average of 47% of the aggregate wage costs of an unskilled and 34% of a trained worker.

Given the proportion of non-productive and productive working time, however, this corresponds more or less to the wage levels,³¹ thus, qualifying the argumentation of wage cost advantages of apprentices.

4.2.4.3 INTENSIVE VOCATIONAL GUIDANCE

Allocating young people as good as possible to existing training courses is regarded as an important factor for a smooth transition from training into employment. In this context, vocational guidance plays a major role, particularly if vocational choices of grave consequence have to be made at a very early stage and if a revision is connected with high individual costs. Careers information activities have to meet the challenge, on the one hand, of taking into account the inclinations of young people and on the other hand, of steering the interest of young people towards promising fields of occupation where positive employment perspectives can be expected.

At the moment, there are several possibilities and offers regarding vocational guidance. On the one hand, schools are obliged to conduct group careers information activities starting in seventh grade, on the other hand, there are offers in the field of vocational guidance as well as information material on the side of the Employment Service, the Chamber of Workers and Employees, the Austrian Chamber of Economics, guilds, or trade unions.

Traditional vocational guidance is primarily undertaken by the Employment Service. Important facilities of the AMS are the Careers Information Centres (BIZ) exclusively dealing with vocational and educational guidance. These institutions were established as additional offers to the traditional vocational guidance and to the regional AMS branches, however, apart from these, the social partners also operate careers information centres. Careers information centres offer, among other things, visits to schools and the provision of various information materials such as occupational lexica, brochures, videos, documentation maps, educational material, and computer-aided programmes on careers information and individual opportunities.

The area of vocational guidance / careers information is regarded as of high value in the schools, as well. Thus, in 1984 the teaching principle "preparation for working life and career" was introduced in Austrian schools which is supposed to treat the issue of vocational guidance in as many different ways in class as possible. General higher and lower secondary schools, for instance, are obliged to incorporate 32 hours per year of vocational guidance in their regular classes in third and fourth grade.

Further activities in the field of vocational and educational guidance in schools and teaching include:

- Guidance offered by school psychologists
- Co-ordinators for vocational education: Class time is used for vocational guidance in relation to the number of pupils (1 hour / 10 pupils). Since 1990, additional training opportunities have been offered to the teaching staff affected, as well.

³¹ cf. Lassnigg, L / Steiner, P.: Die betrieblichen Kosten der Lehrlingsausbildung. Vienna: AK 1997

- Days of practical training: Group visits to firms, visits to careers information centres or fairs

The emphasis on careers information activities is concentrated in seventh and eighth grade, thus, the period of time during which pupils decide whether they will attend a secondary school or enter into working life as an apprentice. The next point of emphasis on vocational and educational guidance emerges with added force not before the final phase of higher education. Experts have always criticised that there is still not enough attention paid to the process of practical vocational orientation, that the teaching staff responsible in this area needs further training, and that there should be a better harmonisation of the offers.³²

4.2.4.4 EMPLOYMENT SCHEMES ON THE PROMOTION OF OCCUPATIONAL INTEGRATION

Data on unemployment of 19-24-year-olds as well as studies on the destination of apprentices having completed training make clear that there are still to a considerable extent frictions at the transition from the training into the employment system. At the same time, it also becomes clear when looking at the range of employment measures that this issue is not of top priority compared to removing barriers at the first stage.

A second focus of labour market policy since the 1980s has been on those young people regarded as particularly disadvantaged in the labour market, such as school and apprenticeship dropouts, pupils in special education, and young people with social or psychic impairments.³³

Not until most recently has the development of employment measures shown an extension in measures for young people having completed an intermediate or higher-level vocational college. However, these measures vary according to the problems in a specific region.

The following types of schemes are operating or planned for the near future:

- Temporary employment: By means of a fixed-term contract with a non-profitable temporary employment agency, BMS and BHS-leavers from Lower Austria are to get the opportunity to gain work experience within the framework of temporary employment and possibly to be offered a permanent employment.
- Application coaching: School-leavers participating in measures on active job search are supported in finding a job through informal and internal labour markets. Some of the schemes are also aiming at producing applications and presentation material in order to give prominence to the young applicants (e.g. designing a homepage for applicants).
- Additional specific courses: AHS and BHS-leavers are to gain a competitive advantage in comparison with other school-leavers through the acquisition of additional specific competencies within the framework of seminars (e.g. business economics, secretarial occupations, qualification as assistant to an economist).

With these so-called “bridge offers”, measures were initiated for the first time not aiming at the target group of disadvantaged young people anymore, for instance at those having dropped out of training, but aiming at those with difficulties in the field of labour market integration in general. However, the focus is on those coming from higher-level schools. Due to

³² cf. Lassnigg, L./Schneeberger, A., 1997

³³ cf. Mayer, K.. Arbeitsmarktpolitik für jugendliche Risikogruppen. Vienna: IHS 1999

the topicality of these experiences, there is no evidence yet on the integrational effect of these bridge offers.

Apart from these employment schemes tailored specifically to the target group of school-leavers, there is of course the entire range of employment schemes including training measures as well as employment aids available to young people with vocational qualification. In this case, however, young people at the second transition, are not regarded as a specific target group but as "regular unemployed people". Moreover, only in this context a type of financial incentive for recruiting new entrants to the labour force can be found, namely integration subsidies to employers. This subsidy is granted if companies are willing to recruit a long-term unemployed person. However, the people in the target group of those under 25 have to be unemployed for more than 6 months.

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4.3 Jørgen Mørk National Report Denmark

4.3.1 Abstract

The Danish vocational training system was almost comparable to the German dual system some thirty years ago. Ever since, it has undergone a process of individualisation in favour of *the company employment anchoring and of flexibility with concern to the school element*, the latter being now almost subordinate to the first.

Thus, theoretically, apprentices should not lose their employment contract in the firm after the achievement of a certificate of skilled worker. However, some do get dismissed, even if we are talking about few cases, *maybe less than ten percent of an annual cohort (varying up till 30 percent in some branches)*, mostly occurring within the sector of office work and commerce, the predominant female labour market. No direct statistical data exist on the issue!

Adding the issue of *stable* employment after vocational training, we need to observe the situation of cohorts one or two years after their vocational training. Here, we maybe talk about some *half of the skilled newcomers having attempted to change job or, for the dismissed ones, to find an appropriate occupation*.

Succeeding in *finding stable employment is related to a manifold of factors*. The Danish practice of offer-demand regulation, adjusting the educational output on the basis of the demand, is a first support to young people. The only problem is that apparently the regulation is not applied within the numerically major sectors such as for instance office work and commerce.

Subsequently the just choice of vocation is important, and to this end, the very diversified system of *professional guidance seems decisive in so far it is able to convert young people towards the demands* of labour market. This, however, scarcely is a success when talking about the female population still overwhelmingly pursuing a non-manual one.

Once in job, the young people have different conditions for obtaining durable employment. This appears to be partly due to *the phenomenon of professional culture and individual company employment policy*. The immense significance of these factors should not be neglected, but nevertheless they are not commonly ponderous in the approach to the second grade integration.

Some professional vocations are, in fact, able to integrate young people in a more permanent way than other, i.e. for instance in the metal branch and in building & plant work. In these cases, *the newcomer will either risk to be instantly rejected or he will succeed in being integrated into the company's stable adult manpower team as an indispensable member*.

The latter issue is of course depending on the newcomers' adaptability, as well as on *the single company's efforts to show solidarity and welcome her or him*. For instance, a notable firm-interior competition on qualifications is often characteristic to the office work segment of labour market, especially the public one being more selective in the second stage integration process.

It would be unjust to deem the office work and commerce as the only problematic segments with respect to integration. *It looks as if individualisation/singularisation of skills is a key issue*. Wherever such competencies are not attractive to the teamwork of the adult manpower in the company, there will be competition only on commensurate skills, and thus a very elementary basis for elimination.

Although no statistical assertion seems to prove it, undoubtedly a number of young people do not acquire the needed skills during their training. Such an inadequacy often goes along with that of the lack of individualisation of personal competencies. *Complementary education is seen to be not only a suitable remedy, but also the primary one*.

The issue of second grade integration is not statistically important in Denmark, and the potential problem hardly is studied since it is considered [almost] non-existing. By the Danish contextual logic, difficulties only appear as a result of a massive offer-demand miscalculation, and/or of failing vocational guidance leaving maybe too much space for individual choices.

The relatively few losers' way (back) to stable employment is grounded on reinforced guidance, on targeted research of fitting jobs, on complementary education and on a higher degree of individualisation of personal competencies notably directed towards new technology.

4.3.2 Introduction

When looking at the group of young people having achieved a certificate of vocational training, we cannot with any certitude predict how they might manage to find stable employment. We must admit the opportunity as part of the reality on the labour market, but this should not prevent us from being curious about certain patterns of success in the transition. Young skilled workers are not equally competitive vis-à-vis employment possibilities, neither are they equally sustained by the labour market actors in this crucial process that we designate: *second grade integration*.

The issue of second grade integration is far from being scientifically explored. In the Danish case it is astonishing to observe that the phenomenon hardly even is recognised as a potential problem. No direct statistical data exist on this specific target group. From a contextual point of view the explanation seems clear: what really is a national key challenge, is to prevent the enormous dropout occurring during the vocational training programs: Up to twenty-five per cent. What happens to the successfully continuing apprentices is to a large extent left to the mechanisms of offer and demand of manpower qualifications.

The record of young skilled workers' success in "transiting" into the labour market is undoubtedly high in Denmark, so high that statistically one could argue that there is no severe problem. This seems to be the reasoning of many of our national experts in the field. However, if we insist a little on *the notion of stable employment*, we can in fact identify certain categories of problems. Most of these prove to be related to cases of interrupt of employment immediately after the completion of the apprenticeship contract period. This is one of the potential negative results of the dual system fashioned in the Danish way.

Bad luck in the initial transition is a first sign of a future unstable career on the labour market, and at this level of identification the case is likely to be classified as a combination of impediments due to the system and only explainable within the Danish context. Before entering this subject let us stress as a first - hardly surprising - statement that:

The more successfully the integration into stable employment is, the more critical appears the situation of the relatively few potential losers, roughly estimated at less than ten per cent of the annual cohort of skilled newcomers.

4.3.3 The Danish Context

The Danish vocational education system is characterised by five major elements:

- Predominance of the dual system in vocational training programs
- A strong tradition of tri-partite concerted action in educational matters
- The pursue of offer-demand balance in education planning
- Existence of a diversified system of personal, educational and professional guidance.
- Complementary education: a remedy of inadequacies.

4.3.3.1 THE DUAL SYSTEM

The Danish system of vocational training is based on alternation between school periods and practice periods within a company. Depending on the specific case, young people can begin either with a school period or with a practice period in a company. By the end of the first year, however, there will no longer remain any substantial difference between the two kinds of entrance designated respectively *school entry and practice entry* to vocational training.

In the case of an initial practice period, the young man or woman has already found a company in which to be an apprentice and is able to postpone the school period by half a year. Still, a period of twenty weeks in a technical, commercial or other educational institution is obligatory within the first year of apprenticeship. On the other hand, the young people not having the possibility of initial practice and therefore beginning with the school period must subsequently find a company for the training. If not, they cannot go any further.

The achievement of an apprenticeship contract within the first year is obligatory. The total duration of a vocational training program varies from two years (e.g. ceramist) to five years (e.g. flight mechanic) and in each year following the first one, there will be, in general, a school period of at least ten weeks.

Consequently, all young people must sign an apprenticeship contract with a master company. Prior to this, *the company needs to be certified by the tri-partite local labour market organisations as a suitable vocational training place.* If a minimum of variance in the practical work cannot be guaranteed, the trainee may combine several companies as training places.

The Danish model of a so-called dual system in vocational training is not fully comparable to any other similar systems in Europe. Let us emphasise that several special options are available for young people not quite fitting into the general scheme of vocational training referred to above. This concerns both bottom and top of compulsory school output, as well as young people having experiences from a period of unskilled work, and thus being older than six- or seventeen. It is in fact very common in Denmark to spend a year or more as a young unskilled worker on the labour market before entering vocational training.

So, a pre-initial school period lasting twenty weeks is an option to young people not yet personally ready to meet the demands of an apprenticeship company or those of the obligatory initial school period. Even, the ones who are hesitating with respect to a professional orientation can choose to follow a one-year course of general branch initiation at a technical or commercial school. These two options subsequently lead to the beginning of the normal scheme of education. As regards the very well motivated and experienced young people, they can to a certain extent obtain merit permitting them to speed up the vocational training by up till two years.

4.3.3.2 THE TRI-PARTITE CONCERTED ACTION

One of the strengths of the Danish dual system is that it only produces skilled workers within the framework of an employment contract lasting throughout the apprenticeship and, in most cases, also beyond its end. Hereby, *the employers are made responsible towards the input, towards the offer-demand factor of the labour market employment balance.* The average hourly wage of apprentices is near ten ECU paid by the employer who is only subsidised during the school periods. Thus, there is no or very little incitement to take in apprentices without a subsequent employment perspective in the firm.

At the same time, the labour unions are, together with the other labour market parties, investing a notable prestige in asserting and guarantying the sufficient training conditions in the companies. No training company will be authorised to take in apprentices without a certificate of aptitude. This is a second level of responsabilization of labour market actors. *Every vocational training program will grant a comparable school content, as well as a uniform minimum of experience from the apprenticeship employment.*

Finally, a considerable number of other responsibilities are ceded to the employer and the employee organisations to handle in collaboration with public authorities, i.e. representatives of either the ministry of labour or the ministry of education - or both. The labour market policies are managed at a local, regional and national level, and at each level the tri-partite representation is in joint action. *The overall managerial principle is to solve problems and to meet requirements at the nearest possible geo-political level.*

At the local level, the technical, commercial and other vocational schools are the primary public actors responsible of the offer of education, of the content and of matching the output to the demand of local companies. When talking about the more general educational policy, the regional actors in particular are powerful since they have the means of regulating the labour market situation, for instance employment problems related to vocational education. They often play the role of co-ordinators of action, possessing the capacity of counselling local associates of the tri-partite collaboration, i.e. the schools as well as the employer and employee organisations and representatives of specific target groups of the population. So, the national policy of education is mainly operationalised through the regional institutions called labour market councils of which we find fourteen in Denmark. However, the national policy is also executed more directly in form of laws, recommendations, etc.

When talking specifically about apprenticeship content, conditioning and certification, the national level of tri-partite representatives are setting up the general framework in terms of minimum exigencies, whereas the detailed elements are fixed locally. *The apprenticeship certificate has a national validity* confirmed by employers, employees and the ministry of education. As to the salary of apprentices, it is the result of national level negotiations and agreements between unions and employer organisations.

4.3.3.3 THE OFFER-DEMAND BALANCE

The *pursue of offer-demand balance* means, in few words, that offer and demand of professional skills of the labour market are compared, and that subsequently the first is regulated to fit the second on the basis of representative firms' prophecies in a medium term perspective. The result is a numeric regulation at the entrances of vocational training, (as well as of higher education), and the principal selective logic is that of the young peoples' school results and overall capacity. The administration of this regulation involves all the tri-partite actors at all geo-economical levels, i.e. national, regional and local. Still, let us stress that only part of the vocations are regulated at the entrance and that it is an objective (as much as possible) to leave the offer-demand balance to the labour market mechanisms.

This practice has known a relatively high degree of success. However, some vocational orientations have proven more suitable for being submitted to adequacy calculation than others are, since both qualitative and quantitative elements must be taken into consideration. The difference between predicting future for the largest group of apprentices, the office workers, and one of the smallest, for instance the ship machinery mechanics is obvious. *Even a little*

margin of miscalculation in the matching might prove disastrous to the employment balance of the first group, and at least precarious in the latter case.

The Danish labour market being rather restraint, the challenge of *matching offer and demand of qualifications is in particular complicated when talking about branches with swift technological changes*. This is for instance the case of low current electricians, computer workers, graphic designers and similar specialised areas. Rather often, bottlenecks are the result of an underestimation of the labour markets demand of technological qualifications, and alertness towards such critical situations (leading to increased or even uncontrollable salaries) is an absolute necessity.

The pursue of offer-demand balance starts at the local level by the aggregation of data on future employment possibilities and more precisely on firms' needs of qualifications. The geo-economical situation is subsequently summarised in statistical terms by the regional counsel of labour market policy and forwarded to the ministries of labour and education. These two public authorities accordingly evolve a prospective analysis explaining the potential needs of regulation in input at the vocational training. Consequently, the national results are sent back through the system permitting regional and local actors to take action to optimise an adequate relation between education and employment.

Thus, the educational institutions possess a vital instrument of regulation in so far they can anticipate the coming demand of qualifications and either open or restrain the access to a given vocational education. To do so, they depend on the local tri-partite collaboration, and that is why the employers are integrated in the schools' planning, giving both qualitative and quantitative indications of the future. *In fact, both employer and employee organisations are born members of the boards of the schools.*

4.3.3.4 THE SYSTEM OF PERSONAL, EDUCATIONAL AND PROFESSIONAL GUIDANCE

The role of the guidance apparatus is that of being mediator between the different steps of the young peoples' itinerary from childhood to adult life on the labour market. More precisely, guidance is thought to give reliable response to whatever question might emerge during this personal and professional integration process. In our national context, we can furthermore distinguish two orientations with concern to the nature of guidance: *the so-called canalising approach (more or less authoritarian), and the fan of initiating measures*. The instrument of guidance is very diversified, and it is an ever-returning issue whether it has become too complicated.

Denmark suffers from what is considered a too low rate of adherence to vocational education. That is why guidance particularly is aiming at the need of attention vis-à-vis this first grade of transition into labour market. Several social-economic related phenomena explain the difficulties envisaged by the individual adviser as well as by the guidance apparatus, more generally.

The compulsory school, lasting nine years with an optional tenth year, leaves young people in front of the professional career, proposing either vocational training or a continued school-period at gymnasium or equivalent with the perspective of a further education.

Most young people follow one of these two typical exits of compulsory school, but quite a lot spend a year or two on the youth part of labour market before making their choice. It is, in fact, rather uncomplicated for this group to earn money and become independent within short

time, what is considered high social-economic performance. Another lot of young people spends a sabbatical year after having decided which way to go after compulsory school - or after higher secondary education. They might work, travel, make informal studies or all three together, and subsequently they will need an education, now to be chosen on quite different criteria than at the outset. Let us evoke that access to the Danish youth education offers is open to all ages and that the national system has created a multitude of alternatives in order to integrate manpower not yet possessing professional competencies.

As already stated, the Danish labour market actors are very much concerned about young people dropping out of vocational training, as well as the group that simply never enter a secondary youth education. Guidance at this level is a canalisation matter, as well as a question of matching the individual capacities and motivation with an appropriate offer within the educational system.

Using the term of canalisation, we stress the fact that certain choices are needed by society, giving for instance a continued intake to the professions of metal workers, one of the national economic bases. This is what could be called an *adequationist aspect of guidance*. Furthermore, we can argue in favour of canalisation when taking into consideration the highly problematic long-term scenarios for young people not having any validated professional competence at all. This group in particular is difficult to advise since its members are likely to be already on the labour market, earning their living as unskilled workers and considering themselves as successfully socialised persons. We here encounter what could be called *the patriarchal aspect of guidance*. Finally, it is common to all young people that they have a legal right to make their individual choice with respect to professional orientation and education. This, of course, also includes the possibility of excluding a career as a skilled worker as well as the freedom to change one's mind or remake a vocational choice. Canalisation, in these situations is hardly feasible, but nevertheless, it is an overall political objective to find 'the right place for all' on the labour market. Social obstacles, aptitude or adaptability related disadvantages as well as physical or mental handicaps most find a maximum of elimination within the apparatus of guidance. This, we could call *the counterbalancing aspect* of the advisory function, certainly the most precarious one.

As to the guidance of skilled young people having difficulties in the second grade integration to the labour market, all three mentioned modes of interference are mobilised, but we can no longer identify any difference between the more mature and the young manpower. The efforts aiming at the group of newcomers is not statistically differentiated unless it implicates one of the actions aiming at vocational training entry or later needs of complementary skills. Once the certificate of vocational training is achieved, the twenty- or twenty-one-year-old skilled worker is classified merely as member of an unemployment insurance group, or rather of a union. Up till eighty-five per cent of the Danish manpower is organised.

4.3.3.5 COMPLEMENTARY EDUCATION

The designation *complementary education* covers all kind of courses offered to skilled persons with the view of reinforcing their position on labour market. The major group of offers commonly is called further vocational training, and in fact some languages would prefer this designation from the other. It is not possible here to go into a terminology discussion, but by the suggested name, we stress the fact that *complementary education is much more than further vocational training*. It is whatever might be needed as type of courses on labour market, for instance upgrading of competencies in a professional vocation, recycling of man-

power in a single company, initiation of an employment segment into a new technology or even special educational measures in relation to dismisses or structural shifts.

The complementary education is based on the demand, and the degree of preparedness and flexibility from the course offering institutions, (mostly technical schools), is noticeable, and for good reasons. The organisation of the system is in the hands of the tri-partite actors, and since the economy of the offering schools entirely depends on success, a first comparable component is the awareness of local firms' needs. The almost entire actual Danish educational system is founded on the so-called taximeter regulation: the more students, the more public economical assistance – and vice versa, even if the consequences might prove disastrous.

The complementary education is accessible only to skilled workers, employed or unemployed, but it is not open to unskilled persons who have their proper system called *specialised vocational courses* producing semi-skilled manpower or equivalent. On their side, however, the unemployed skilled workers might freely benefit from this latter system, but it is not very common to make such “inverted transition”. The wage differentiation between skilled, semi-skilled and unskilled workers is only significant in few branches (a typical national phenomenon), and consequently there should not be any economic obstacle to a temporary devaluation of the skilled worker status.

What is original about the Danish system of complementary education is its organisation. It is built up as a nation-wide offer guaranteed by the tri-partite actors and possessing the same grants of quality as in the case of the vocational training programs. The structure is that of modules: beginning by general updating of branch related competencies, passing by an increasing degree of specialisation during a number of courses mutually combinable and accumulative leading the way to an uplift of the basic vocational skills. Even, this structure enables the recognition of academic status, for instance that of building constructors (bachelor level).

Complementary education is financed by public means coming from ordinary taxes and special employee and employer fiscal contributions: it is an economically neutral offer regarded as free – or already paid for by the tri-partite actors.

4.3.4 The Second Grade Transition to Labour Market

In the introduction, we stated that problems related to the second grade integration to labor market normally would be explained as a combination of systemic impediments. Furthermore, we interpreted the lack of attention paid to the second grade integration as due to the shadowing problems of *dropout during and not after* the vocational training. Finally, we stressed the fact that things might be conceived differently if focus were put on the notion of stable employment.

The roughly estimated ten percent or less of newcomers facing unemployment after vocational training normally should be found within the numerically major professional orientations such as office workers, metal industry workers and building & plant workers in general. However, this is only partly the reality. We have to approach an understanding of the transitional problem from more differentiated viewpoints allowing us to subsequently appreciate some of the targeted measures.

Before going any further, we need to evoke that *apprentices normally will remain in their occupation after the expiration of their vocational employment contract*. Therefore, to identify critical moments in the second grade integration, we must concentrate on the relatively restraint group of young people having left the training company and looking for a new job as skilled worker. The size of this group is not known, but it will of course increase by the time running after the achievement of the vocational training certificate. We could cautiously estimate that after two years as skilled worker, some half of the cohort will have changed employment place – or tried so.

4.3.4.1 EMPLOYMENT POLICIES AND PROFESSIONAL CULTURES

The professional cultures are quite contrasting when passing from office work to one of the other mentioned vocations, and we are not only talking about the evident differences related to work conditions. More interesting is that we can distinguish varying attitudes to the employment of young skilled persons and to the competencies fostered by the vocational training program.

The newcomer is met with the demand of a new type of socialization, that of the adult worker community in a specific company. We can say that young people' chance of durable employment in their first occupation is depending on the degree of singularity of the professional culture in the company. Once integrated into an exclusive adult worker community, the newcomer will gradually become indispensable to the maintenance of factors like productivity, quality, collaboration, innovation etc. The youngster will at least for a considerable period be sheltered from the general competition of qualifications on labor market.

This brings us back to our three examples: office workers, metal industry workers and building & plant workers. In the first case, we can to a certain extend talk about a predominant mass culture with a low degree of singularity, and thus giving only little shelter to the newcomer. On the other side, an initial success in integration into for instance metal industry employment is likely to lead to relatively stable employment, but it must be admitted that the initial success is quite decisive. We are facing cultural differences that cannot be generalized: any company might encourage a positive attitude to the newcomers, but first of all the adult worker community is crucial to the adaptation process leading young people to durable employment.

Thus, the company's employment policy and professional culture might prove to be the most efficient measure in favor of the second grade integration. Both employer and employee organizations are offering courses developing such solidarity features, and progress is sustained by the companies' ongoing collaboration with the guidance apparatus.

Offer and demand balance

The hard way of facilitating the second grade transition is by optimising the offer and demand balance of skilled newcomers. It is at the same time the only macroeconomic means to influence youth employment, and history has shown both success and failures.

Until the latest economic recovery in the mid-nineteenth, the *pursue of offer-demand balance* led to permanent overproduction of skilled workers within almost every branch. Youth unemployment was the result, and today we find an accumulated adult manpower with competencies that never were realised in employment. This goes along with the actual decrease of the youth population, and in theory, the accumulated manpower should now be able to fill

up the hollow. However, this is only partly feasible since technological changes often have antiquated five or ten year old skills.

Thus, in the actual situation young skilled workers are so to say sheltered by their updated competencies as well as by the intense pressure on the offer factor of the employment balance.

Only the office worker segment of labour market continues having a notable over-production and the explanation seems to be what we called systemic impediments. The office work apprentices are in large scale trained in the public sector, i.e. within the jurisdiction of the national employment policy. To some extent, we could say that the office worker segment is used as a kind of buffer in the vocational training system since it has the capacity to absorb the group of young people not prepared for industrial work or similar. This is overwhelmingly the case of girls. The vocational guidance seems to have very little effect on these young people who have, in fact, the right to follow their motivation whatever fastidious it might prove to be.

On the other side, we actually witness a slight under-production within the segments of metal industry work and building & plant work. In particular the latter one is experiencing bottlenecks, lack of joiners, carpenters, bricklayers, constructors etc. However, this does not seem to be only a matching problem, but also a consequence of the decreasing size of the youth cohort.

Unquestionably, these later years the pursue of offer-demand balance has lost potential as an employment policy means. The matching of demand and offer hardly can be considered manoeuvrable when the first factor unmistakably exceeds the latter, when only one single buffer zone is left to chance: the office worker segment.

Supremacy of the individual choice

The guidance effort is extremely important to the individual choice of profession. We have seen, however, that even in the case of a long-term risk of unemployment, vocational advisors cannot change girls' preference of office work – or nursery like occupations. Considering our national self-understanding, we have in fact a problem of motivating girls for what is our economic basis: industrial, high-tech work including manual operations. We can interpret the current situation of over-production of office workers as a consequence of the supremacy of the individual choice, or, as a defeat of the guidance apparatus.

The individual choice of vocation is in fact affected by the guidance, and in our current situation with small youth cohorts, the adequate repartition of professional choices has become decisive both at a local, regional and national level. We are not simply talking about numerical matching of offer and demand on labor market, but also, and particularly, of finding young people for the whole fan of pertinent vocations. This has become a major challenge to the guidance apparatus.

4.3.4.2 COMPLEMENTARY, INDIVIDUALISED COMPETENCIES

The complementary education is in fact a very efficient remedy of adequacies both in the matching of offer and demand and with respect to the individual situation of the so-called loser in second grade integration. Since complementary education is entirely organised on the basis of existent or short-term demand of local firms, the unemployed worker who is at-

tending a further vocational course is likely to subsequently find an occupation. There is no rule or guarantee of this outcome, but when combined with professional guidance, an optimum of chances is present.

The unemployment of skilled newcomers some time is due to unpredictable incidents like sudden shifts in the local labour market composition (closure of a company) or changes in demand of qualification (new technology) – or even both in combination with other factors like for instance a reorientation in local business policy. Flexibility here is a first requirement to the unemployed skilled newcomer, and the complementary education system enables him or her to rapidly adapt to the new situation.

As long as the local course offering institutions are in touch or even better at forehand with the evolution on labour market, the group of unemployed skilled newcomers might well find a place in such a critical transformation process. They constitute a kind of residual power on labour market in so far they are ready and prepared for a professional reorientation corresponding to the new demands. Very much is depending, once again, on the guidance effort and the personal motivation, but the strategy of individualisation of competencies throughout a number of complementary education courses seem in particular efficient.

4.3.4.3 TARGETED CANALISATION: THE YOUTH EMPLOYMENT ACTION

The so-called “Youth Employment Action” is a governmental law regulating the right to unemployment insurance for the 16-25 year old young people, only the unskilled ones. We earlier stated that Denmark is suffering from a too low rate of adherence to vocational training, and the law could be regarded as a general, but also rather authoritarian means of encouraging young people to education.

Access to unemployment allowance is obtained after twelve months of employment on labour market with full charge of insurance membership. The maximum brute revenue is about one thousand-five hundred ECUs corresponding to not more than ninety percent of the person’s annual income. Young people having relatively ease access to unskilled work while being paid as young employees often do get dismissed at the age of eighteen, becoming adult workers with the right to some thirty percent more in salary. They suddenly, but not unpredictably realise that they are not able to carry out a work worth that of an experienced adult unskilled worker.

The “Youth Employment Action” aims at bringing this group of unemployed unskilled young people into an education lasting at least eighteen months – or even better into a regular vocational training program. The law says that after four and not more than seven months of unemployment, *an individual educational plan* must be dressed in collaboration with the guidance system - and undertaken. Otherwise, the unemployed person will only receive half of the unemployment allowance!

The law is not a punishment mechanism, but rather a patriarchal offer to the unskilled young people having had and having lost what seemed to be a durable job. Unemployed skilled newcomers are in a parallel situation since they too have had and lost employment, namely their occupation within the training company. The essential difference is that the skilled newcomers do not need to be canalised towards a professional vocation, but rather towards complementary education. In their case, an “Individual Action Plan” will be established and lead the way, typically to a job training company and to a series of company requested further vocational courses

4.3.5 Conclusion

The Danish vocational training system is characterised by a strong company employment anchoring and a high degree of flexibility with concern to the school element, the latter being now almost subordinate to the first. The situation has not been so for very long time and the great number of recent changes in the system reflects a national social-economic fragility and subsequent alertness towards transformations on labour market. The demand of technology related competencies, for instance, has been met by immense investments in the educational sector, but still, nobody is entirely satisfied. Changes in the offer-demand balance of skills simply must find expeditious response in the educational system, and therefore vocational training is not seen as invariable.

Passing from economic recession to gradual recovery in the mid-nineteenths, the vocational training system had simultaneously to face the problem of decreasing youth cohorts. *The perspective of the educational planning changed from inevitable over-production to inevitable under-production of skilled workers.* Thus, today, the Danish labour market statistically should be able to absorb all newcomers or at least all those possessing a certificate of vocational training. *With a national unemployment rate near seven percent, only systemic impediments can explain transitional problems within the corps of freshly educated young people.*

And in fact, since all apprentices have their educational basis in a master company employment contract it should be expected that once the certificate achieved, the young person could remain employed in the company. *This, statistically, is the normal issue and only few persons are dismissed or voluntarily quitting the job after apprenticeship, having consequently to experience the challenge of second grade integration into labour market.* We are talking about less than ten percent of an annual cohort. Considering the actual favourable employment situation, *this group (composed of both winners and losers) constitutes of course a prevailing problem as regards the latter ones having been unable to benefit from the actual scarcity of new skilled workers on labour market.* As stated in the introduction, the general success of the second grade integration is highly contributing to the marginalisation of the few losers or potential losers.

This leads us to look for explanations, for characteristics of what we see as impediments of the system. Of course, the right choice of vocation is crucial and it is perhaps the most risky decision in the whole life of the young person. The guidance system is bringing support in this situation, giving at least some estimates for the success of the envisaged career and maybe a list of recommendable alternatives.

Guidance necessarily must assume some degree of responsibility, and failure in the second grade transition can in some cases be explained by defects in the advisory service. We cannot justify any explicit critics, but only say that some cases of failure in the transition is the price of a generally well-functioning guidance system. What is unfortunate, for instance, is when firms' previsions for the need of manpower show up to be too optimistic after having been the used as a qualitative outset for guidance during years.

There are in fact many traps, and most of them have to do with the conditions for making scenarios, for elaborating previsions on the basis of more or less valid prophesies dressed by local firms. The educational planning principle of pursuing an offer-demand balance on labour market is only helpful in so far it is able to sustain the guidance system by giving reliable input, not only at national level but in particular at the immediate level of the single advi-

sor. Another potential impediment is constituted by the young people themselves, by their more or less spontaneous and thus chancy orientation towards a profession on labour market. The guidance system has to cope with irrational factors, for instance in the group of young girls preferring overwhelmingly the office work despite provisions of a relatively high rate of unemployment.

Nevertheless, paths to stable employment after vocational training primarily are detected on the basis of guidance. The youngster facing difficulties in the second grade transition automatically is invited to produce a personal one or two year action plan in collaboration with an adviser of the employment agency. Also, the local union service probably will assist the young person finding an outway of unemployment, and he or she will experience, in most cases, to be supported by a whole network. This network, of course, includes the institutions offering complementary education.

The essential idea about the so-called personal action plan is exactly to detect a path (back) to labour market. It is one of the strongest elements of the Danish employment policy of today. Whereas the vocational training system is heading for comparable competencies, the personal action plan put weight on the individual perspectives. To some extent we might say that by the guidance system, interfering after vocational training and as mediator to the second grade integration, the young person receives a maximum of qualified and individualised assistance.

4.4 Peter Elias, Chris Hasluck National Report Great Britain

4.4.1 Introduction

This report takes stock of recent changes in the nature of the transition process through which young people in the UK move from education and/or training into stable employment. The main focus is upon one particular group, those who choose a 'vocational pathway' into employment – usually entering or attempting to enter the labour market on a fairly permanent basis well before the age of 21 years. The report is designed to contribute to a series of similar country studies from other European Union member states.

4.4.1.1 BACKGROUND

Comparisons between the educational/training systems of the UK and other EU member states, and their relationship with recruitment and employment practices, are of interest for a number of reasons. First, the UK has a more 'laissez-faire' approach to the regulation of the transition processes than is the case in many other member states. With the exception of formal agreements covering apprenticeship training, usually negotiated between trades unions and employer associations, the recruitment and employment of young people is entirely a matter for young people, their parents and potential employers. Legislation regulating the labour market often offers less protection to young people. For example, newly introduced minimum wage legislation in the UK specifically excludes those under the age of 18 years and provides a lower rate until the age of 22 years. Second, the scale of youth unemployment in previous decades has led to the development of a variety of schemes designed to aid the transition process, many of which are now widely regarded as having failed to meet

the expectations surrounding them at the time they were launched. There are lessons to be drawn from this experience.

There is another, possibly more pertinent, reason why the UK might be able to contribute useful experience to a comparative study of those who undertake a vocational route into employment. A new scheme, on an altogether larger scale than any of its predecessors, has recently been introduced by the government which took office in 1997. Termed the *New Deal for Young Unemployed*, this latest approach, whilst neither novel nor radical, encompasses much of what has been learnt from the past. Interestingly, proponents of the latest scheme make full use of the one important lessons drawn from previous experience; they guard against raising expectations and argue strongly for evaluation to be continued over the long term.

4.4.1.2 PLAN OF THE PAPER

This short report is presented in three main sections. The next section examines recent trends in the UK labour market for young persons, particularly the changes which have taken place over the past decade. The following section details the range of transition schemes which have sought to assist young people in making the move from full-time education, through vocational training and into stable employment. The final section reviews the evidence, particularly that which relates to the most recent initiative, the *New Deal for the Young Unemployed*.

4.4.2 The Changing Demand for Youth Labour³⁴

4.4.2.1 THE DEMOGRAPHIC CONTEXT TO LABOUR MARKET CHANGE

During the mid to late 1980s concerns were expressed about the so-called 'demographic time bomb'. These concerns related to the impact of the decline of the birth rate in the UK during the 1970s, projected to bring about a marked decline in the supply of young people entering the labour market during the 1990s (Employment Gazette, 1988). It was feared that if patterns of employer demand prevailing at that time remained unchanged, severe shortages of labour, particularly in those sectors of the economy that recruited young people, would result. In 1989, the National Economic Development Office (NEDO) and the Training Agency published a report based on a survey of employers and concluded that '*many employers have misjudged the situation*' (Employment Gazette, 1989, p. 578). The report, suggestively titled *Defusing the Demographic Time Bomb* (NEDO, 1989), argued that employers were over-optimistic about their ability to compete for young people and too few were trying to adapt their employment practices to tap alternative labour sources.

As is often the case with economic projections, reality appeared quite different. Figures 2.1 and 2.2 show that the number of 16-24 year olds in the population did indeed decline significantly during the 1990s. From around 8 million young people in the mid 1980s, the number of 16-24 year olds in Great Britain declined continuously to a level of 6.2 million in 1997. The decline in number of 16-19 year olds levelled out in 1995 and since that year the numbers have increased slightly. The decline in the number of 20-24 year olds is, however, not expected to cease until 1999 with the result that the overall number of 16-24 year olds has stabilised and is not projected to increase until the year 2000.

³⁴ This section is based upon material from Hasluck (1999a).

Figure 2.1: Population and labour force, 16-19 year olds, Great Britain, 1984-1997

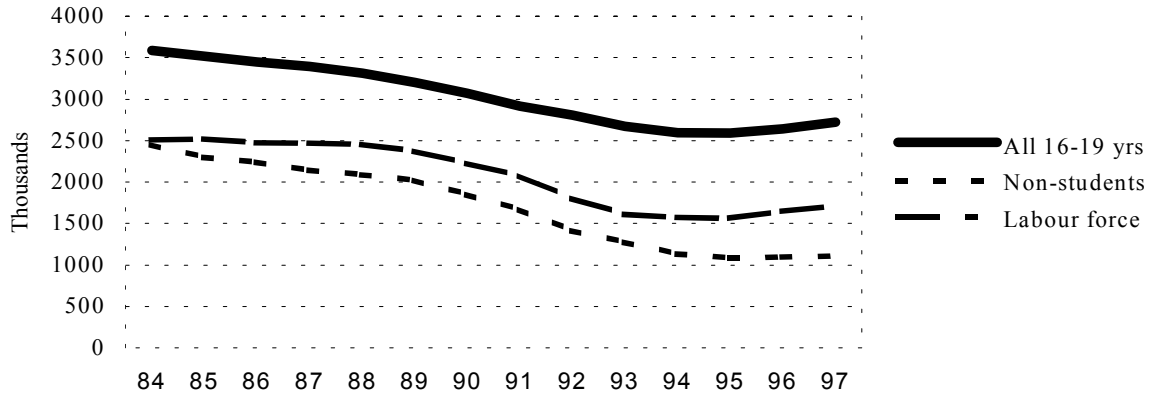


Figure 2.2: Population and labour force, 20-24 year olds, Great Britain, 1984-1997



Source: Derived from data contained in the Technical Annex of Armitage and Scott (1998)

The impact of these demographic changes on the available supply of young people to the labour market has been significantly reinforced by the increasing proportion of young people remaining in post-compulsory education. To some extent this has been offset by rising labour force participation rates within the student population. Among 16-19 year olds, the participation rate of students has increased very significantly, from around 9 per cent in the mid-1970s to around 48 per cent in 1997. The increase in labour force participation among 20-24 year old students has been smaller – from 10 per cent in the 1970s to 35 per cent in 1997 – but is still substantial (Armitage and Scott, 1998). In the case of 16-19 year olds, the extent of labour force participation among students is such that it exceeds the level of non-participation among non-students so that the 16-19 year old labour force exceeds the number of non-students in the population. Rising labour force participation rates for young people in education has meant that the 16-24 year old labour force has not declined as rapidly as might have been expected from the fall in number of non-students in this age group. None-

theless, the labour force in this age group has declined from over 6 million in 1984 to just under 4.4 million in 1997.

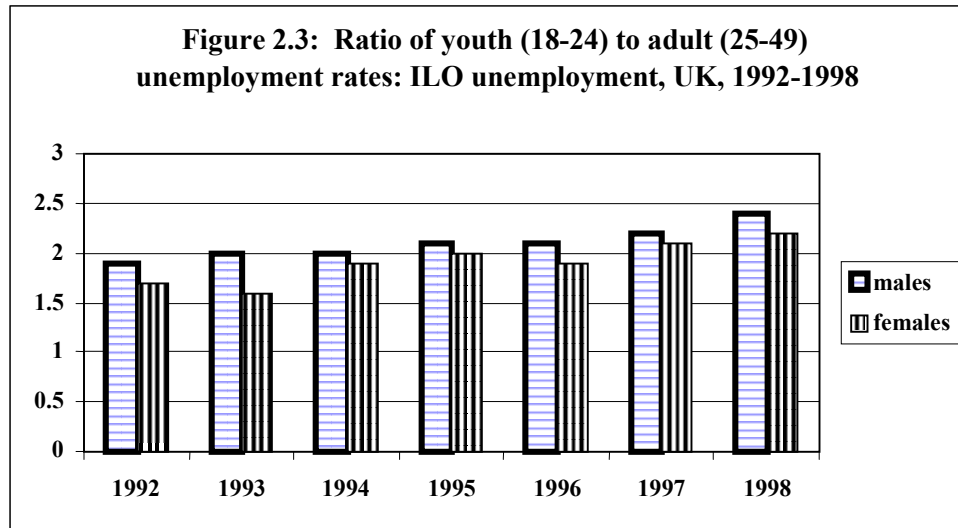
Despite this massive fall in the supply of young people, the anticipated competition for, and shortages of young recruits has not materialised. In fact, rather than severe shortages being experienced, youth unemployment has remained *relatively* high over the entire period. Registered unemployment among 18-24 year olds did decline sharply from a peak of well over 1 million in 1985 to a little more than 400 thousand in 1990, but this was more a reflection of the cyclical recovery in the economy than it was a sign of relative shortage of young people. When the UK economy entered a modest recession in the early 1990s, youth unemployment rose rapidly and virtually doubled between 1990 and 1993 (peaking at over 800 thousand). Since 1993 youth unemployment has fallen significantly and by mid 1999 had reached its lowest level since 1975. It must be noted, however, that the unemployment rate among young people has not fallen as rapidly as that for the older, prime age labour force.

4.4.2.2 EMPLOYMENT CHANGE AND ADJUSTMENT IN THE YOUTH LABOUR MARKET

The *Labour Force Survey* estimates that the number of 16-17 year olds in employment in the UK in 1992 was 674 thousand (or just under 49 per cent of this age group). Just one year later, the number had fallen by almost 100 thousand to 577 thousand. While the number of employed 16-17 year olds increased thereafter, it was not until 1996 that the number in employment returned to its 1992 level, reaching just over 700 thousand in 1997. For 18-24 year olds a somewhat different picture emerges. In 1992 around 3.9 million 18-24 year olds were in employment in the UK. This number has declined steadily since that date and in 1997 was just over 3.3 million, a fall of approximately 15 per cent since 1992.

One reason for the decline in the employment of young people is the fairly obvious fact that the number of young people available to employers has declined. The demographic changes and increased participation in full-time education described in Section 2.1 have combined to reduce the supply of young people available to employers. Intensified competition for young people could be expected to result in price adjustment (wages rise as employers compete with one another), reductions in hiring standards (leading to lower relative unemployment amongst young people) or rationing to employers in the form of longer vacancy durations and more unfilled vacancies. Alternately, if these adjustment mechanisms are more expensive than recruiting other types of worker, employers will substitute such labour for young people.

However, recent evidence does not support the view that the reduction in the employment of young people is merely a competitive response to supply-side changes. There has been neither a fall in the relative unemployment of young people nor an increase in their relative wage levels. Figure 2.3 charts the ratio of youth unemployment (aged 18 to 24) to adult unemployment (aged 25 to 49), a group with whom young people are likely to be in competition. Throughout the 1990s, unemployment rates among young people have been high relative to rates for adults. In 1992 (as youth unemployment began to rise during the recession) the unemployment rate of young males was somewhat less than twice that of adult males while the relative rates for females was just over 1.5 times the adult rate. In subsequent years the ratios have moved adversely (increased) for young people regardless of whether unemployment levels were increasing (1992-93) or decreasing (1994-98). This is counter to the more general experience that unemployment rates converge during periods of falling unemployment.



Source: Labour Force Survey

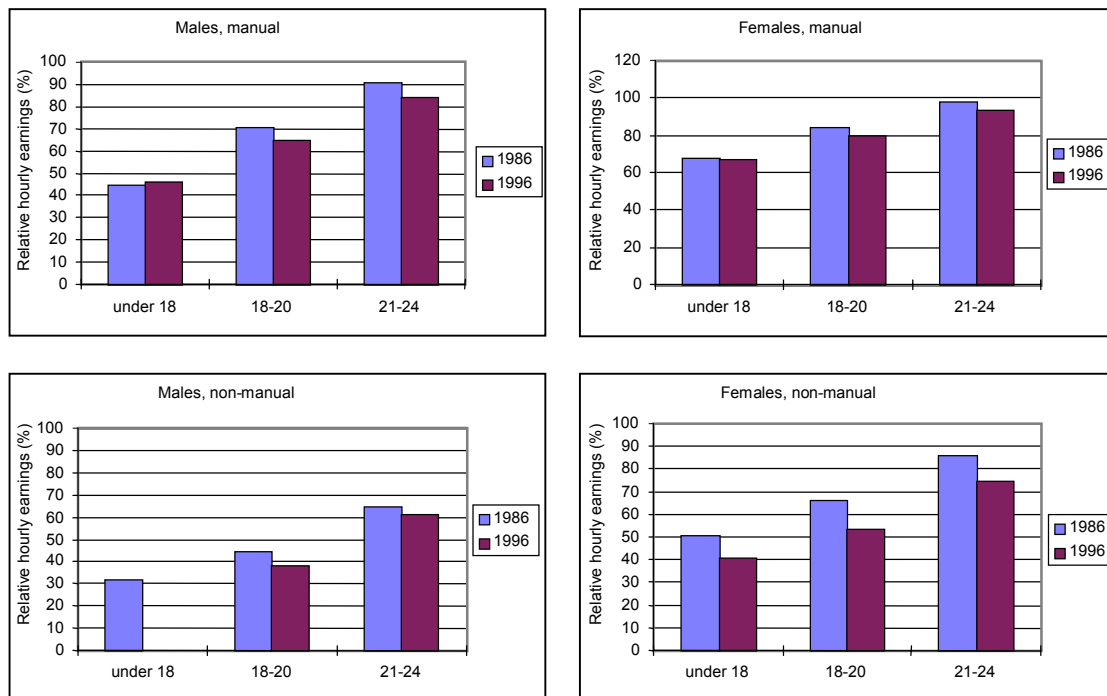
The earnings of young people have also changed in a manner that is difficult to reconcile with the hypothesis that there has been a competitive adjustment to reduced numbers of young people. Elias and McKnight (1998) have examined the relative earnings of young people over the decade 1986 to 1996 using data from the *New Earnings Survey*. Figure 2.4 summarises the change in the relative earnings of young people, distinguishing three age groups, gender and by manual/non-manual occupation. The earnings for each group are expressed as a percentage of the average earnings of all employees in each age, gender and occupational category.

Figure 2.4 on the next page reveals that the relative earnings of young people have fallen between 1986 and 1996. This is true of both males and females and in both manual and non-manual occupations (excepting males under 18 in manual jobs). The decline amounts to between 5-10 per cent of the earnings of all workers in the relevant gender and occupational reference category. This fall in relative earnings of young people suggests that the changes in employment are the result of a reduction in the demand for young people rather than a response by employers to shortages or tightening labour supply of young people.

Elias and McKnight (1998) find further confirmation of the deteriorating market position of young people. Identifying a number of occupations as 'low wage' occupations, they examine the jobs taken by individuals on entry to the labour market. They conclude that young people entering employment in the 1990s are much more likely to be entering 'low wage' occupations than was the case a decade earlier.

The patterns of change in employment levels, relative unemployment rates and wages provides *prima facie* evidence that, while the supply of young people available to employers has diminished sharply, demand for young people has fallen at a faster rate than can be explained simply as adjustment to new supply conditions. It seems likely that the nature of employers' demand for young labour market entrants has changed or shifted at the same time. With this in mind, it is important to examine the pattern of employment of young people and the ways in which this has been changing in recent years.

Figure 2.4: Relative hourly earnings¹ of young full-time employees, manual and non-manual occupations, males and females, 1986 and 1996



Notes: (1) Relative hourly earnings computed from average gross weekly pay of full-time employees whose pay in the survey pay-period was unaffected by absence, divided by average weekly hours. Overtime payments and hours are excluded.

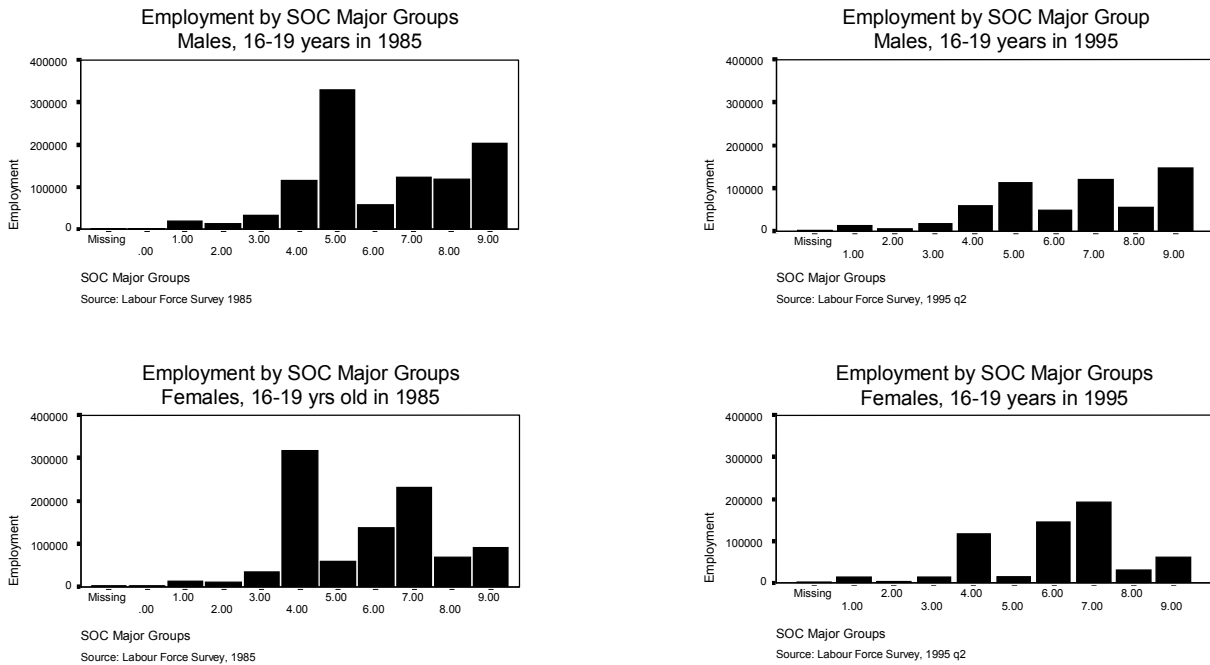
Notes: (2) The sample size is too small to allow an estimate of relative earnings for males in non-manual occupations in 1996.

Source: Elias and McKnight, 1998.

4.4.2.3 THE CHANGING STRUCTURE OF YOUTH EMPLOYMENT

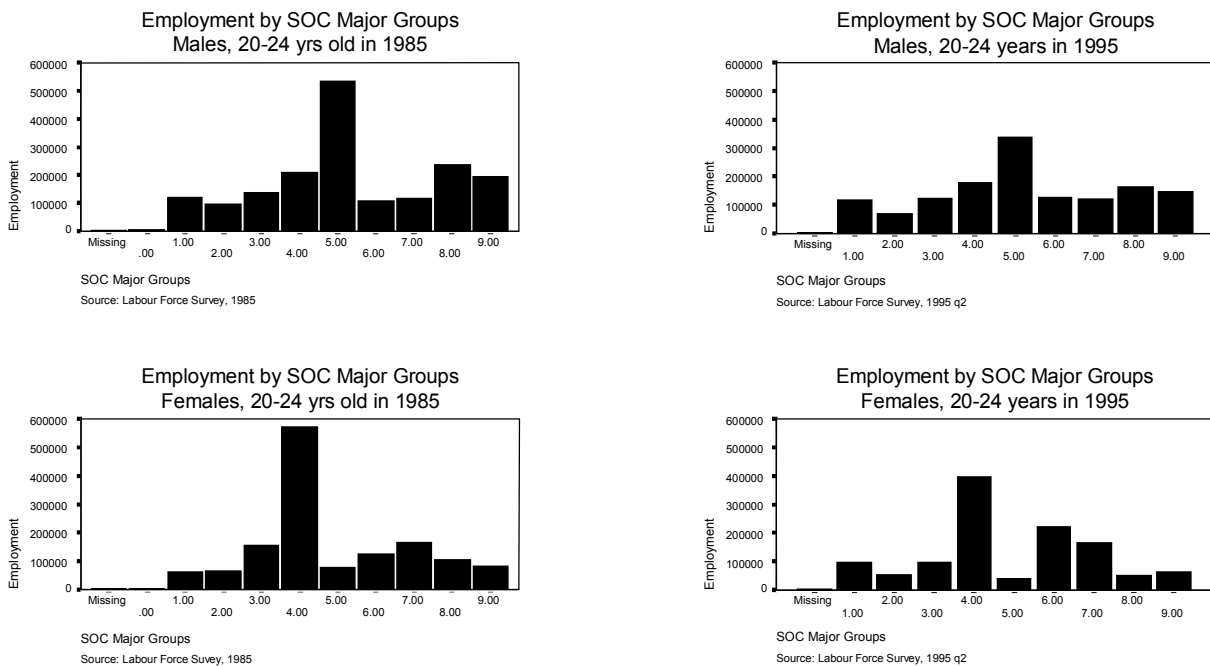
In their recent study of the UK youth labour market, Elias and McKnight (1998) consider the changes that have taken place in the occupational pattern of youth employment over the decade 1985-1995 using data from the Labour Force Survey. Figure 2.5 demonstrates the dramatic decline in the number of young males age 16-19 years in employment. The great majority of this decline is focussed on employment in major group 5 of the Standard Occupational Classification (craft and related occupations), major group 4 (clerical and related) and major group 8 (operatives). Among young women in this age group, the greatest declines in employment have been in major group 4 (clerical and related) and major group 8 (operatives). Figure 2.6 reveals that similar trends are evident for the older age group. For amongst males aged 20-24, almost all of the employment decline has been concentrated in major group 5 (craft and related). For females aged 20-24, employment has declined substantially in major group 4 (clerical and related) but increased in major groups 6 and 7 (personal and protective services and sales occupations). In the case of personal and protective services the increase in employment was substantial (around 100 thousand between 1985 and 1995).

Figure 2.5: Changing Occupational Distribution of Employment of 16-19 year olds, Males and Females, 1985 and 1995



Source: Elias and McKnight (1998).

Figure 2.6: Changing Occupational Distribution of Employment of 20-24 year olds, Males and Females, 1985 and 1995



Source: Elias and McKnight (1998).

The net result of the changes in employment over the decade 1985-1995 is that employment of 16-19 year old males is now at its highest concentration in unskilled jobs with other employment concentrations in sales jobs and craft jobs. For women aged 16-19 years, employment in 1995 is predominantly located in sales and in personal and protective services together with clerical & related occupations. As might be expected, young people aged 20-24 have penetrated a broader range of occupations. Nonetheless, male employment in this age range continues to be dominated by craft and related employment while that of females is concentrated in clerical and related jobs.

Maguire (1995) has argued that the fall in the number of job opportunities for young people since the early 1980s is a product of decline in industrial sectors which have traditionally employed young people, particularly the manufacturing sector. In other words, the decline in youth employment represents part of the structural changes which have transformed the UK economy over the last 10-15 years. Employment change in the UK has been characterised by a major decline in the number of people employed in manufacturing and a rapid growth of service sector employment. In parallel with these industrial changes, the occupational composition of employment has shifted from traditional craft and operative occupations towards employment in high and intermediate skill-level jobs in managerial, professional, technical and administrative occupations and low skill-level jobs in the service sector (Wilson, 1998). These aggregate changes can be seen mirrored in the major shifts in the occupational structure of young people.

While the changing occupational structure of youth employment reflects patterns that are evident across the whole UK labour market, the overall decline in youth employment is probably also indicative of a decline in employer demand for this age group. There may, therefore, be two separate processes occurring: general structural change and a shift away from the employment of young people (especially 16-19 year olds). Elias and McKnight argue that the evidence contained in Figures 2.5 and 2.6 demonstrates that the major decline in the supply of young people onto the labour market during the late 1980s and early 1990s has facilitated changes in employers' recruitment patterns in the very areas where labour demand has been curtailed.

4.4.2.4 SUMMARY

Nowhere is change more apparent in the UK labour market in the last two decades than in the youth labour market. Barely fifteen years has elapsed since it was the norm for the majority of 16 year olds to leave school, often without any formal qualifications, and to enter the labour market. Many, mainly boys, did so in response to the demand from employers to work as apprentices in craft and skilled jobs in the manufacturing sector. For young girls the options were more limited, but the demand for junior clerical staff and in occupations such as catering and hairdressing provided plenty of opportunities for paid employment.

Significant changes to these patterns have taken place on both the supply and demand sides of the labour market. Precisely what triggered these changes is not clear, possible the demographic decline led many employers to rethink their recruitment strategies, moving away from reliance on young people. More probably the major structural changes affecting the whole of the UK economy are, like many labour market phenomena, amplified within the youth labour market given that this represents one of the principal avenues through which change can be affected. The shift away from manufacturing and into services has had a dramatic impact upon the recruitment of 16-19 year olds into craft and clerical employment. Similar changes, while not quite so dramatic, are in evidence for 20-24 year olds.

Without the continuing lure of a reasonably secure job at age 16 and with a coincidental change in the structure of the examination system which marks the end of compulsory education³⁵ many young people chose to continue their full-time education past the age of 16 years, either in school or (more usually) in a College of Further Education. Although the proportion of 17 and 18 year olds who now remain in full-time education is still low by the standards of other EU member states, the growth in 'staying-on' in full-time education in the UK over the past decade has been remarkable.

What then do these changes tell us about the nature of the transition from initial vocational training to stable employment in the UK? Two points are clearly relevant here. First, it seems inappropriate now to draw conclusions from the experiences of young people in the late 1970s and early 1980s. For example, it is probably of little value to measure the effectiveness of, say, employer-led apprentice-training schemes as an appropriate transition mechanism given that the economic background is now radically different. Second, the transition process itself has been in a state of turmoil for a considerable period. While the so-called 'demographic time-bomb' failed to explode, the relatively high levels of youth unemployment which have prevailed throughout the 1980s and, until recently, the 1990s are indicative of the difficult nature of the transition process and the instability of many of the jobs which young people now take.

With these considerations in mind, we turn now to an examination of the development of schemes throughout this period which have had as their objective a smoothing of the transition process and/or the promotion of stable employment prospects for young people.

4.4.3 Government Schemes to Assist Young People into Stable Employment³⁶

4.4.3.1 INTRODUCTION

Measures which are designed to assist young people in making the transition through vocational training and into work can be characterised according to the mechanisms through which they seek to influence the transition process. *Employment subsidy measures* attempt to expand labour demand by reducing the cost to the employer of utilising youth labour. Subsidies are often targeted on the unemployed, requiring employers to recruit unemployed persons according to the duration of their unemployment in order to qualify for the subsidy. Subsidies can also address the issue of employment stability depending upon how they are structured. With young people constituting a high proportion of the unemployed, such measures are, *de facto*, youth employment subsidies. *Training measures* are based upon the assumption that some form of market failure (lack of information, discrimination in educational processes, and/or in financial markets) has led to a situation in which certain young people have a sub-optimal endowment of human capital. The provision of vocational training to certain groups of young people is designed to promote their prospects for stable employment. Such training may or may not be associated with a contract of employment.

³⁵ In 1989 England and Wales replaced its two-tier system of examinations (General Certificate of Education and the Certificate of Secondary Education) with one system (General Certificate of Secondary Education).

³⁶ This section is based in part upon material from Hasluck (1999b).

4.4.3.2 EMPLOYMENT SUBSIDY PROGRAMMES IN GREAT BRITAIN

Identifying wage or employment subsidy programmes in practice is not as straightforward as might appear at first sight. Clearly a payment of some kind is an essential part of such programmes. In most cases an employment subsidy is envisaged as a payment made to an employer in return for employing, retaining, or recruiting an individual. Employment can also be subsidised by means of a top-up to wages paid to an employee. However, a payment made directly to an employee (of which the employer may be unaware) is more of a welfare benefit than an active labour market programme. The effects of an in-work benefit may be different from the effects of a subsidy paid to the employer. For this reason in-work benefits paid to employees are not considered further in this report.

4.4.3.3 THE RANGE OF EMPLOYMENT SUBSIDY SCHEMES, 1982-1996

There has been a considerable number of labour market programmes operated in the United Kingdom over the past two decades. Table 3.1 lists the main labour market programmes in this period and involving an employment subsidy. The list contains a range of programmes that differ greatly in terms of their objectives, the operation of the programmes, the rules for eligibility, geographical coverage and the size and form of the subsidy.

The **Young Workers Scheme** (YWS) which ran from 1982 to 1986 was targeted on people aged 16-17 in their first year of employment. It was designed to reduce the relative cost of employing young people and facilitate entry into low paid work. YWS paid employers a subsidy of £15 per week if an eligible young person were recruited to a job paying a wage of £40 or less (and a subsidy of £7.50 if the wage was between £40 and £45 per week). The subsidy was paid for 12 months. The YWS was replaced in 1986 by the **New Workers Scheme** (NWS) which extended the subsidy to recruits under 21 years of age. Employers could claim £15 per week for 12 months provided that the young persons weekly earnings were less than £55 (if aged 18-19) and £65 for 20 year olds.

Active labour market programmes during the late 1980s and early 1990s tended to focus on the supply side of the labour market. This period also saw an increased emphasis on creating employment for unemployed people by encouraging and supporting self-employment. The **Enterprise Allowance Scheme** (EAS) provided a £40 per week subsidy for 12 months to eligible unemployed people. To be eligible, applicants must have been aged 18 or over, in receipt of unemployment benefit for at least eight weeks or under notice of redundancy and have at least £1,000 to invest in the new business. The business must be new, independent and suitable for public support. In 1991, responsibilities for EAS was transferred from the Department for Employment to locally-run Training and Enterprise Councils (TECs) and the programme was re-launched as the **Business Start-Up Scheme** (BSS). The transfer led to the fragmentation of the scheme with TECs offering different variants with different rules and different amounts of subsidy.

Table 3.1 UK Labour market programmes with an employment subsidy, 1982-1996

Programme	Period	Target	Subsidy
Young Worker Scheme	1982-86	16-17 year olds taking low paid jobs	Up to £15 p.w. for 52 weeks
New Worker Scheme	1986-88	18-20 year olds taking low paid jobs	£15 p.w. for 52 weeks
Enterprise Allowance Scheme	1982-91	Unemployed people into self employment	£40 p.w. for 12 months
Training and Employment Grants Scheme	1989-92	Long-term unemployed in Scotland	50% wage/100% training costs for 26 weeks
Worktrials	1989-	Unemployed trying out a job	Participants remain on benefit for 3 wks
Business Start-Up Scheme	1991-95	Unemployed people into self-employment	Varied from TEC to TEC
Workstart 1	1993	Very long-term unemployed	WS1: £2,340
Workstart 2	1995		WS2: £700/£1,400/£2,800
Workstart 3	1996		WS3: £1,000
National Insurance (NI) Contributions 'Holiday'	1996	Very long-term unemployed	Employers NI for 12 months

Source: Hasluck (1999b).

An important exception to the trend away from subsidies to employers during the early 1990s was **Workstart**. In 1993, pilot studies began on an employment subsidy programme aimed at the very long-term unemployed (people unemployed for over two years). Workstart 1 was run in 1993-94 in four areas (London, Kent, Tyneside and Devon/Cornwall). The programme paid a flat rate subsidy of £60 per week for 26 weeks plus £30 per week for a further 26 weeks to employers who recruited a person who had been unemployed for two years or more. It was a condition of the programme that the subsidy was not available where a vacancy had resulted from redundancy or dismissal.

Workstart 2 commenced in 1995 in the West Midlands and in the North West Region. In the West Midlands, the level of subsidy and the duration of payment was not fixed but was negotiated with employers (a maximum was set of £2,800 for 12 months). In the North West a different regime existed. The subsidy paid varied with the length of time the individual had been unemployed. The subsidy was set at £700 for people unemployed for 2-3 years, £1,400 for those unemployed 3-4 years and £2,800 for those unemployed for more than 4 years. All subsidies were paid for 12 months. Workstart 3 was piloted in 1996 in Leeds and in Basildon. The subsidy took the form of a payment to employers of £1,000 for recruiting a long-term unemployed person. The subsidy was paid in two lump sum instalments, eight weeks apart.

A reduction in liability for tax is the equivalent of a subsidy. Such an approach was signalled in the November 1994 Budget which announced a **National Insurance Contributions (NIC) Holiday** for employers who recruit the long-term unemployed. An employer who recruits a person who has been unemployed for two years or more would be able to claim back an amount equal to the employer's National Insurance contributions for up to one year. The NIC Holiday was introduced in April 1996. Employers are entitled to claim the National Insurance

rebate only after the recruit has been employed for 13 weeks. Participation in the scheme was voluntary and the take-up by employers has been very small. By August 1997 there were only slightly more than 6,000 employees covered by the scheme (compared to the estimated 130,000 new employees per year who might benefit from the scheme). This low take-up has been attributed to a lack of awareness of the scheme by employers.

4.4.3.4 THE EMPLOYMENT IMPACTS OF SUBSIDIES: THE EVIDENCE

With active labour market programmes varying so much in terms of their objectives, delivery and size of subsidy, it is hardly surprising that the evidence relating to the employment impacts of such programmes is rather mixed. The relevant issue to be considered here is whether or not such subsidies lead to additional³⁷ employment and, if so, the permanence and stability of the jobs so created.

While the rules under which programmes operate determine the eligibility of employers for participation in programmes, such participation remains voluntary. Patterns of employer participation thus give an indication of the attractiveness of employer subsidies to different types of employer. Leaving aside subsidies to the self-employed (who are by definition small firms) it would appear that employment subsidies aimed at job creation are more attractive to small employers while subsidies that are strongly linked to training, or are essentially subsidised work-based training, are more attractive to large organisations. Small firms tend to be more attracted to subsidy programmes because in such firms the recruitment of a single person can make a noticeable difference to labour costs. A firm employing five people on equal wages would experience a 10 per cent reduction in labour costs if the wage of just one employee were halved by a subsidy. Many small firms are also labour intensive and operate in competitive product markets. Labour cost savings will have a big impact on competitiveness and employment in such firms. It is notable that of all firms indicating that Workstart 3 had enabled them to win more business, 85 per cent were small companies employing less than 25 employees (Martin Hamblin, 1997). In the three Workstart pilots, the size distribution of participating firms was similar to the national size distribution of recruiting firms (derived from the 1992 Survey of Employers Recruitment Practices) except in the case of Workstart 1. Workstart 1 offered a particularly large subsidy and this appears to have made the programme more attractive to small firms.

There is much research to show that, in general, small firms do little training. It is therefore not surprising that where subsidies are linked to training, it is the larger employers who take up the subsidies. In many cases such organisations have a tradition of training and adapt their previous training programmes to become eligible for subsidies. Evidence relating to the Youth Training Scheme (Deakin and Pratten, 1987) suggests that the subsidy element in youth training programmes had a high deadweight cost of around 30 per cent. In a recent study of 500 employers participating in the Modern Apprenticeship initiative in 1995, Hasluck, Hogarth, Maguire and Pitcher (1997) found that only 16 per cent of employers would not have taken on any trainees (or would have taken on fewer) in the absence of Modern Apprenticeship. Where job creation is the programme objective, a requirement to provide training may be an impediment to participation by employers.

³⁷ 'Additional employment' refers to the net gain in employment associated with a particular scheme, having taken account of deadweight, substitution and displacement effects. For further details, see Hasluck (1998).

The Young Worker Scheme paid a subsidy to employers for each young person employed. At the start of 1986 around 60,000 young people were covered by the programme and around 440,000 young people were covered by the scheme during the period 1982-1986. However, while the number of participants on YWS was large, it is estimated that as little as 16 per cent of this number were additional to the employment that would have existed in the absence of the wage subsidy. Lindley (1986) provided a summary of the evidence relating to this and earlier wage subsidy programmes. As he shows, there is considerable variation in these estimates related to the nature of the assumption made about deadweight, displacement and substitution associated with the schemes. In Scotland, the Training and Employment Grant Scheme (TEG) offered a subsidy to employers to meet both employment and training costs. The rules of the TEG required jobs filled under the scheme to be additional to the existing workforce. Perhaps because of this, deadweight was estimated to be only 16 per cent of jobs covered.

By far the shortest employment subsidy programme in Great Britain is Work Trial. In fact this entails no payment at all to an employer. Instead, the programme allows unemployed people to try a job for three weeks while continuing to claim benefits. The benefit to the employer is that they receive the services of the unemployed person without having to pay a wage. Preliminary estimates prepared by the UK Employment Service suggested that around 60 per cent of Work Trial placements remained in their trial job in the 1993-94 period. However, White, Lissenburgh and Bryson (1996) found that that around 38 per cent might have obtained the job without Work Trial. Additionality was estimated at between 44-62 per cent. These estimates were derived from the subjective views of Work Trial participants (rather than employers) and are probably better measures of how participants regard the programme than true measures of additionality. These measures also relate only to the original 'trial' job and may therefore understate the value of Work Trial in terms of increased employability in other jobs.

Two of the programmes listed in Table 3.1 are associated with self-employment. While it is not common for young people to make such a transition early in their working lives, certain sectors which have low capital requirements for business start up (eg construction, hairdressing) do attract young people. Evaluations of programmes subsidising self-employment face particular difficulties, not least in the identification of the objectives of such schemes (Meager, 1996). Evaluations of the Enterprise Allowance Scheme (EAS) suggest that deadweight was very high. One study of the EAS estimated deadweight at 30-40 per cent (PA Cambridge Economic consultants, 1990) while Tremlett (1993) estimated deadweight on the Business Start-Up Scheme (the successor to EAS) to be over 70 per cent. Substitution is not an issue for most self-employment programmes but displacement of existing businesses is important. Although difficult to measure, displacement has generally been regarded as high (Storey, 1994). In a local labour market study of the effects of EAS, Hasluck (1990) found almost 100 per cent displacement in some service sectors (such as hairdressing) but much lower displacement in growth sectors such as business services. Survival rates amongst EAS businesses were low (Meager, 1996) suggesting that any benefits (and costs) might be short-lived.

In 1993, a series of pilot programmes commenced using employment subsidies to encourage employers to recruit people who had been unemployed for two years or more. There is considerable variation in the design, delivery and size of subsidy both between the three Workstart pilots and within each pilot programme. The evidence from evaluations of Workstart is thus a valuable guide to the likely impacts of employment subsidies because of this experimental variation. Moreover, Workstart has many parallels with the subsidised Employment option of New Deal and the experience of Workstart appears to have greatly influenced the

design of New Deal. For this reason the results of Workstart pilot programme merit closer examination.

Table 3.2 summarises the findings relating to deadweight from the three Workstart evaluations (Martin Hamblin, 1997). Deadweight in this instance refers to situations in which a job vacancy would have existed even in the absence of the Workstart subsidy. Partial deadweight refers to situations in which a vacancy would have been created in any event but it has been created earlier or for more hours because of the subsidy. The table suggests that pure deadweight was very high in Workstart 2 and 3 (between 74 and 85 per cent). Depending upon how partial deadweight is regarded, the additional employment impact of Workstart varies from 19 per cent for Workstart 1, 11 per cent for Workstart 3 and around 6-7 per cent for Workstart 2. If partial deadweight is regarded as additionality as well, the additionality figures rise to 48 per cent, 19/14 per cent and 25 per cent respectively.

Table 3.2: Estimated deadweight in Workstart pilot programmes

Employment effect	Workstart 3	Workstart 2		Workstart 1
		North West	West Midlands	
Deadweight	74%	80%	85%	48%
Partial deadweight	14%	13%	7%	29%
Additionality	11%	6%	7%	19%

Note: Columns do not add to 100 per cent because a small 'Other /Don't know' category has been omitted.
Source: Martin Hamblin, 1997

The differences in additionality can be explained in a variety of ways. It might reflect differences in the operation and marketing of the programme, being more intense for Workstart 1 (Martin Hamblin, 1997) or the lack of an explicit job creation objective in Workstarts 2 and 3 (Burtney and Littler, 1997). The size of the subsidy may also be related to the scale of additionality: in Workstart 2. Additionality was greater when the value of the subsidy was greater. In the West Midlands for instance, additionality was estimated at 5 per cent when the subsidy was £700-£1,400 and 8 per cent in firms receiving a subsidy of between £1,400-£2,800. There was some evidence, albeit slight, that additionality diminishes as the duration of unemployment of the person being subsidised increases.

Significant substitution effects were also evident in the Workstart pilots. Substitution of between 28-35 per cent was estimated for Workstart 1. In Workstart 2 the substitution effect was estimated at 19-24 per cent in the North West and 17-21 per cent in the West Midlands. Estimated substitution Workstart 3 was around 20 per cent (Martin Hamblin, 1997; Burtney and Littler, 1997). These figures are fairly consistent and suggest a substitution effect of around one in five jobs covered by the subsidy. The evaluations also suggest that substitution effects increase in magnitude as the value of the subsidy increases. However, Burtney and Littler (1997) argue that substitution is an objective of the Workstart programmes as they are designed to get very long-term unemployed people into work. With this in mind, they distinguish between additionality for the economy and long-term unemployment additionality. The former measures the additional jobs created by the subsidy while the latter measures the additional jobs obtained by long-term unemployed people.

4.4.3.5 TRAINING MEASURES IN THE UK

Large scale labour market intervention programmes, aimed at assisting young people in their transition from school to work through the provision of work-related training, have been a significant feature of the UK labour market for the past 25 years. Initially geared specifically to the unemployed, programmes have gradually extended in terms period of time should have elapsed before conclusive evidence about the stability of subsequent outcomes becomes available.

Early in the 1990s the issue of apprenticeship training and its further development in the UK began to re-emerge as an alternative approach to upgrading the provision of work-based training for young people. In part this was a response to criticism that the UK system was failing to provide intermediate level skills (Steedman *et al.*, 1991). Research had also drawn unfavourable comparison between the UK and German systems of apprenticeship training (Casey, 1991; Hitchens *et al.*, 1990; Oulton and Steedman, 1994). The response was to introduce *Modern Apprenticeships* during 1994 and 1995. The revamped apprenticeship agreement consisted of a three-way contract, between the employer, the trainee and a training agency. Typically, the latter role was adopted by the local Training and Enterprise Council (TEC), a government-funded body operating at the local level³⁸ managed by a local council of social partners but dominated by employers. The contract would provide for a training plan leading to a national vocational qualification. Training costs were subsidised via a TEC grant. On completion of their training, employers were expected to absorb trainees into their workforces.

Modern apprenticeships were slow to be established. In the first full year of operation, only about 30 thousand young people participated in this scheme. Recent figures indicate that this had risen to almost 150 thousand persons in England and Wales. However, some scepticism remains about the potential trade off between training quantity and quality. As Keep and Mayhew (1998) note, with 1 in 12 of all modern apprenticeships in hairdressing, the ability of the scheme to address reported deficits in say, engineering technician skills, may be less than is expected.

An important issue in the consideration of this scheme is the extent of its additionality. As reported in Section 3.4, additionality (as reported by employers) is probably quite low. Nonetheless, the quality and quantity of training received by employees may well have improved. There is, as yet, little evidence of the longer term impacts of this scheme.

4.4.4 The New Deal for Young Unemployed People

The *New Deal for Young People* (NDfYP) was designed as a key element of the new Labour government's *Welfare to Work* programme. The programme is targeted at young people (18-24 year olds) who have been claiming state support on account of joblessness and have been in receipt of such support for at least six months.

The *New Deal for Young People* differs from its predecessors in a number of ways. First, it offers a 'menu' of choices to young people (subsidised employment with training, full-time education or training, work in the voluntary sector or work with an Environment Task Force). Second, it incorporates a lengthy assessment phase, termed the 'Gateway' during which the young person receives and undertakes an assessment of their needs and wishes, help with

³⁸ There are approximately 90 TECs operating in England and Wales.

job search, careers advice, and some may receive basic education in literacy, numeracy and IT skills. Third, there is a 'follow-through' phase during which the young person receives on-going support and assistance.

There is another fundamental way in which the NDFYP differs from earlier programmes. Local delivery of the scheme was regarded as an important feature, together with the provision of variety in delivery methods. The intention was to enable the scheme to be tailored to match local labour market conditions. Delivery arrangements are complex and involve a number of different models, ranging from private sector contracts between the Employment Service and private employers to Joint Venture Partnership in which the local Employment Service is one of a number of equal partners who contract collectively to deliver the programme.

Implementation of the *New Deal for Young People* took place when the labour market was moving through the major transitional phase described in Section 2. The 'problem' of youth unemployment has been affected by demographic, educational and structural labour market factors. From a peak of over 1 million young persons claiming benefit in 1986, the number had fallen to around 360,000 by early 1998. When the programme was initiated, there were approximately 112,000 young people who were claiming unemployment benefit (Job seekers allowance) and who had been unemployed for six months or more.

Evaluation of the impact of the *New Deal for Young People* is continuing³⁹. Early indications of the impacts, based largely upon qualitative research undertaken with participants, employers and Employment Services staff, shows that the scheme is viewed positively by all concerned (Atkinson, 1999; Legard and Ritchie, 1999; SCPR, 1998; Snape, 1998; Tavistock Institute, 1998). Young people view the scheme as benevolent, even among those who remain cynical of its benefits. The elements of choice it contains are regarded positively, compared with earlier schemes such as Youth Training which was widely regarded as providing poor quality training with little prospect of sustainable employment. Statistical information obtained via administration of the scheme indicates that, one year into the programme a significant number (1 in 6) of young unemployed persons had pursued an education or training option upon completion of an evaluation phase. One third had entered unsubsidised employment. Some concerns have been raised that not all participants are offered the full range of choices the scheme initially advertised. Again, it remains too early to estimate the longer term impacts of the scheme.

4.4.5 Summary and Conclusions

This short report reviews recent evidence about the changing nature of the youth labour market in Great Britain, contextualising the scale and nature of the so-called 'Second Transition' – the move from vocational training into stable employment. Subsequent sections examine the variety of schemes which have been in operation over the past twenty years, designed to promote and facilitate this transition process. The report concludes with preliminary findings which are beginning to emerge from the latest scheme – the *New Deal for Young Unemployed*.

Evidence relating to the changing nature of the youth labour market reveals that transitional problems may have eased for some and have almost certainly become more acute for others. The rapid rise in educational participation on a full-time basis has delayed the transition for many, and placed them into the process at a different level. Two decades ago it would

³⁹ For details of the monitoring and evaluation procedures, see Hall and Reid (1998).

have seemed appropriate to categorise young people as 'minimum-age school leavers' (age 16 and, usually, having low or no qualifications), 'vocational entrants' (usually 17/18 year olds employed within a traditional apprenticeship scheme) and 'graduates' (21/22 year old higher education leavers with a university level qualification). While this classification was neither mutually exclusive nor all-encompassing, it served well to compartmentalise policy thinking and facilitate relevant labour market policy. Boundaries are now blurred as more higher education leavers seek jobs in a wider area of occupations than their counterparts two decades earlier. The development of a national system of vocational qualifications⁴⁰ and the general rise in qualification levels among young people has created a different kind of youth labour market than existed in the late 1970s and early 1980s. Associated with this has been the rapid decline in the typical 'entry' level occupations for young people (craft and skilled manual jobs for men and secretarial/clerical jobs for women) and the growth in managerial, professional and technical jobs together with a rapid increase in employment in part-time unskilled employment in the service sector.

The scale of these changes is such that it is difficult to draw 'best practice' conclusions from the evaluation of programmes which have sought to facilitate the second transition. A variety of schemes are reviewed in this paper, ranging from direct employment subsidies, through combined subsidy/training schemes to programmes which focus almost specifically upon the training provision. The evidence is mixed. Subsidy schemes appear to promote employment although the scale of 'additional' employment is limited. Little evidence exists about the stability of jobs so created. Where there exists a mix of employment subsidies and training, much seems to depend upon the nature of the training. This depends, in turn, upon the characteristics of the training scheme. Work-based training for young people (the Youth Training Scheme of the 1980s and 1990s) has had a mixed impact. Lessons to be drawn from this are essentially negative. In circumstances in which a scheme becomes associated with the problems of labour market entry experienced by young people, participants may well find themselves further disadvantaged by participation.

Problems associated with the transitional process, particularly for young people moving through vocational education and training, can not be treated in the same way that one seeks a remedy for ill health. The issue at stake here is whether or not the range of 'treatments' available is both adequate and sufficient given the scale of the transitional problems which become apparent as the economy moves through rapid structural change. In this respect the *New Deal for the Young Unemployed*, a programme aimed specifically at those who attempted to take a vocational route into stable employment and met with difficulty, combines what many regard as the best lessons we have drawn from the experience of dealing with transitional problems for young people. The programme combines assessment and counselling at an early stage, leading into a range of options including subsidised employment, education and training. Nonetheless, it remains a treatment to a problem, a potential 'curative' rather than a preventative measure. Only time will tell if this treatment works better than its predecessors.

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⁴⁰ For a critical appraisal of this development, see Keep and Mayhew (1998).

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4.5 Lorenzo Cachón National Report Spain

4.5.1 Introduction

For the preparation of a European Conference on "Transition from initial vocational training into stable employment" taking place during the period of German EU presidency in Frankfurt on June 28 and 29, 1999, INBAS (Institut für berufliche Bildung, Arbeitsmarkt- und Sozialpolitik), in co-operation with the European Network on Transitions in Youth and L&R Sozialforschung has asked a range of experts for reports on the experience made in this field in Austria, Denmark, France, Germany, Italy, the Netherlands, Spain, and the United Kingdom over the last years.

In correspondence with a general scheme proposed by INBAS, the report comprises three parts: 1) a general view of the transformations in the youth labour market over the last years; 2) a description of the measures introduced to facilitate transition into employment for young people; and 3) an evaluation of the effects of the measures on the youth labour market. In correspondence with the request by INBAS, the report has a limited extension.

4.5.2 Transformations in the Spanish Labour Market in the Last Decade

The development of the Spanish labour market in the period 1977-1999 can be divided into four major phases corresponding to the cyclical economic situation: a long period of recession marked by unemployment (1976-1985), six years of recovery (1986-1991), three years of recession (1991-1994) and a period of significant recovery in the field of employment (1995-1999). Thus, during the last decade, Spain passed through a period of economic upswing (until 1991), a period of sharp economic downswing (1992-1994), and a phase of growth (since 1995 lasting until 1999) (see table 1).

4.5.2.1 CHANGES IN THE YOUTH LABOUR MARKET

The employment of young people has strictly followed these cyclical movements except for the particularity that it shows a stronger sensitivity towards the economic cycle than the employment of adults, declining rapidly in periods of recession and increasing noticeably in periods of expansion.

The active population of young people (16-24 years) has decreased by almost half a million over the last decade (see table 2) as a result of a twofold phenomenon: First, the reduction in size of the group of young people entering into the labour market (until 1992 there were growing numbers of young people entering the labour market every year but from then on the number has been noticeably smaller every year as a consequence of the continuously decreasing birth rate which started in Spain at the end of the 1970s); and, second, due to the decreasing activity rate because of a prolonged period of full-time education in Spain. While the first of these factors relates to young men as well as to women, the second is more relevant in the case of women because if the employment rate of those under 25 is reduced due to "studies", this will lead (and is leading) to a significant growth of the activity rate of women over 25 years old. Given this development, the young active population has fallen from over 21% of the total active population in 1989 to 16% in 1998.

Employment of young people has also declined in this decade (by more than 350,000 people) and unemployment has fallen by approximately 130,000. The unemployment rate has risen from 34 to 36%, if, however viewed over the whole decade it can be seen that it has increased by more than ten points until 1994 (when youth unemployment exceeded 45%) and decreased by more than eight points over the following four years (see table 2). In the course of this decade, the employment rate has risen and, above all, the rate of temporarily employed young people (proportion of employed people with a fixed-term contract) passed from 60% to 73%.

Among young people a considerable reduction in the percentage of long-term unemployed (more than one year of unemployment) can be seen, from 59% to 42%, decreasing for men as well as for women. However, the unemployment rate of young women remains at a much higher level (47% of young women unemployed for more than a year in 1998 compared to 36% of unemployed young men) (see table 2).

Six important aspects in the youth labour market leading to important changes in Spain in the last years have to be mentioned:

- Reduction in the number of young people (16-24 years old) and their share in the active population, employment, and unemployment;
- Improvement of the youth employment situation in the last four years (since 1995) and significant decrease in their unemployment rate (which, nevertheless, is still at 35%, twice the total unemployment rate);
- Young people remaining in full-time education for a longer period of time (contributing considerably to a later increase in activity rates of women): this trend being a consequence of the improvement of the education system as well as of their own difficult situation regarding entrance into the labour market. This development includes general secondary schools, university-level, and the "new vocational training";
- Profound change of the structures of occupational integration: institutional changes introduced between 1994 and 1997 (see chap. 2) producing significant modifications in some labour market sectors (strengthening the idea of "specialisation");
- The increasing instability of youth employment is very important although there are different patterns of labour market integration according to social background, educational level, gender, and measures in the field of employment policy (effective at that point of time);

- All these changes have produced significant alterations in the attitudes and priorities of young people: while a secure job and an appropriate income constituted the basic preoccupation of young people in the 1980s, today, it is a good working atmosphere in the relations to fellow workers, interest in the occupation and the income, whereas there is less importance attached to the security of employment (INJUVE, 1996).

4.5.2.2 GENERAL CHANGES IN THE SPANISH LABOUR MARKET

Apart from the characteristics of the youth labour market, however, some profound changes should be mentioned which have taken place in the Spanish labour market in the last years, changes similar to the ones having taken place in the European Union as a whole. Compared to our neighbouring countries, however, they have come about with delay but at a much faster rate (especially since the mid-1980s).

The four most relevant changes regarding employment are: 1) the considerable increase in female activity, both in the activity rate and in the volume and proportion of women to the active population as a whole; 2) the change in the curve of activity rates with people entering the labour market at an earlier age and retiring later; 3) the increase in the level of qualification of the active population (the population with lower than secondary education has decreased from 56% in 1987 to 31% in 1998, while those with higher education have passed from 5% to 24% over the same period); 4) Spain which used to be a country of emigrants has, since 1985, become a country of immigrants (coming in particular from Maghreb and Latin America but with a growing diversity in origin).

Three features, partly related with each other, characterise the major changes in the field of employment in the last two decades: 1) the growing significance of the service sector compared with the considerable and continuous decline of agriculture, the slight decrease in importance of the industrial sector, and the maintenance of the construction sector; 2) the transformation and occupational tertiarization (for instance, the number of specialists and professionals went up from 763,000 in 1978 to 2,837,000 twenty years later); 3) the increase in both atypical and temporary employment (the explosion of temporary employment in Spain taking place primarily in the last five years of the 1980s, so that in 1990, the proportion of fixed-term contracts among the labour force reached 30%; since then, this rate has been maintained at about 33%) as well as part-time work being of very little importance in Spain which amounted to 8% in 1998 (twice as much as ten years earlier) and 17% among women. To these characteristics of the development of employment in Spain as a whole one needs to add the very different employment patterns in the various region in Spain producing a major change in the economic and employment geography of the country.

In the course of the last twenty years, there has also been an important process of regulating the employment situation of the labour force, and although situations of irregular economy still exist (as repeatedly shown, for instance, in surveys of young people), today, the number of labour affiliated and registered with (thus, contributing to) Social Security is exceeding 14 millions (while there are half a million employees less, according to the *Survey on the Active Population*).

The twenty years of employment policy discussed in the following section also cover the period of time since the coming into force of the Spanish Constitution (adopted in 1978). Since then, a fundamental transformation of the state structures has taken place ceding much more power and competence to the Autonomous Regions. This, for example, has led to an important transformation of intervention mechanisms in the labour market and in the field of em-

ployment policy as the Autonomous Regions are allowed to introduce programmes promoting employment and training (as long as they do not interfere with general labour legislation).

4.5.3 Measures of Vocational Transition in Spain since 1975

Analysing the construction of Spanish measures in the field of integrating young people in the labour market, one should not forget that in addition to the economic crisis beginning in the mid-1970s, Spain experienced a process of political transition triggered by the death of the dictator during the same period. This temporal coincidence is relevant because over a considerable period of time, the priority of governments, political parties, and social partners was to guarantee social peace in order to establish democratic institutions.

4.5.3.1 FIRST PHASE: EXPERIMENTAL POLICIES AND LABOUR COSTS FOR YOUNG PEOPLE (1976-1980)

The initial period of transition and of economic crisis under various centrist governments of the Unión del Centro Democrático (UCD) can be divided into two periods: before and after the Statute of the Workers (1980). The first one corresponds to this section; the second one initiates a different stage.

Not until 1976-77, when unemployment already affected 15% of young people under 25 years, the formulation of a Spanish employment policy geared in particular towards young people was begun. A range of measures was adopted which succeeded each other speedily modifying each other without the time to be consolidated in the labour market (nevertheless affecting it) and which were in line with a progressive flexibilization of the labour market. These successive "youth employment schemes" were directed at promoting the employment of young unemployed people between 16 and 26, registered as unemployed (for two to four weeks) through fixed-term contracts (with a duration of 6 months to two years) and a reduction in the employers' contribution to social security (by between 50 and 70%); all these characteristics varied with each programme.

Four points regarding youth employment policies in this first period of political transition should be mentioned: a) the fact that it is a policy actually "promoting employment" (in the sense that this expression is used by legislation to support recruitment) for young people without regarding the problems related with training and the transition from training into employment; b) its experimental and highly unstable character; c) the temporary nature of employment for young people; d) the decline in labour costs for these people by means of reducing the employers' contribution to social security.

The diagnosis underlying these first measures of "employment policy" geared towards young people is that the crisis constitutes a cyclical phenomenon and that the low "employability" of young people is due to the fact that their recruitment leads to (relatively) high costs for the companies.

4.5.3.2 SECOND PHASE: FLEXIBLE EMPLOYMENT POLICIES THROUGH TEMPORARY EMPLOYMENT (1980-1993)

In the beginning of the 1980s, important changes took place regarding the institutions of the Spanish labour market and the creation of measures on labour market integration of young

people due to the adoption of the Statute of the Workers (ET) (1980), the General Employment Act, and the signing of the National Agreement on Employment (ANE) (1981).

The emphasis of the ET in this field is on the flexibilization of employment "by means of three basic instruments: 1) extension of approved conditions for temporary employment having been mentioned as instrument for the promotion of certain workers' collectives since 1977; 2) periods of work experience and training, and 3) part-time work" (Palomeque, 1993). However, not until the ANE was signed and the Socialist Party (PSOE) came into power at the end of 1982, were these contractual elements of the ET developed and consolidated.

As soon as other regulations had complemented the reform of the ET in 1984, a "youth employment policy" was being formed along three axes linked with and complementing each other: improving vocational training for young people; promoting occupational integration of the labour force (even temporarily), and facilitating stable integration of the labour force in employment. A range of measures aiming at these objectives were being adopted over the following years:

- in order to improve *vocational training* for young people, the educational system as a whole had to undergo a reform with a series of laws culminating in the University Reform Act (LRU) and the Law on the General Regulation of the Educational System (LOGSE) as of 1990, adapting secondary education, and besides, the Training and Occupational Integration Scheme (Plan FIP) (in 1985) and the Programme for Workshop-Schools and Vocational Facilities were brought into effect;
- in order to promote *occupational integration* of young people, regulations were established for contracts in the field of training, practical work experience, temporary employment schemes, part-time work, and relief work, and employment subsidy measures were introduced for specific target groups regarding contracts of training and practical work experience;
- in order to facilitate stable integration in the labour market, support measures were adopted for permanent employment of young people.

Contracts of training and practical work experience are the keystones on which the emphasis of integration and employment policies (particularly for young people) was to be based after the reform of 1984. This reform, however, endowed both contracts of practical work experience and of training with a highly flexible jurisdiction emphasising the function of promoting employment to the detriment of the function of vocational qualification (Valdés, 1994). Until the reform of 1984, training contracts had had a very low impact on the labour market whereas afterwards, the effects were considerably greater, coinciding with a period of expansion in the economy and employment between 1985 and 1991. This growth, however, did not relate to training contracts but to temporary employment measures which were of great interest to employers due to its advantages in terms of costs and/or because they were seen as instruments of selecting a more stable labour force with certain types of young people.

Apart from these specifically "juvenile" contracts, the reform of 1984 "normalised" other contractual elements which have had a great impact on this target group without being created for young people. These are: temporary employment contracts, part-time contracts and relief work contracts. The first one of these measures came to play a preponderant role in the labour market for one decade, in particular for young people. Besides these measures of a more general nature, preferences for various groups (first employment, first employment of 25-30-year-olds or higher education graduates, etc.) to be given contracts of training or practical work experience were established. Furthermore, incentives were established (in the

form of reduction in employers' contributions to social security) if companies transformed contracts of training or practical work experience into permanent contracts.

In 1992, a significant turn of direction was taken: exemptions and reductions of employers' social security contributions favouring contracts of practical work experience and training were abolished in order to re-direct financial incentives towards measures promoting stable employment for young people. But this first revision of the regulations did not succeed in rescuing the function of training of these contracts from the clutches of this other function "additional and disturbing, an incentive to youth employment, temporary and precarious" (Casas, 1992).

In the course of these fifteen years (1980-1994) a youth employment policy was formed which pursued the creation of a number of institutions in order to guide young people through various paths in the transition from education to employment during this period. Three types of measure can be distinguished:

- *training measures*, seen as either necessary reforms to adapt the general education system (both secondary education and professional training as in university) to current requirements of the production system or as compensating the deficiencies in education and training;
- measures directly aimed at facilitating the *promotion* of employment either through the possibility of employing workers temporarily for non-temporary activities in the company, or through the reduction of non-wage labour costs for some groups of workers according to criteria of "positive discrimination";
- measures geared to facilitating the *integration* of young people in the labour market (contracts of training and practical work experience: the "jewels" of youth employment policy) which combine the elements mentioned before, i.e. training, temporary employment, and - for certain groups - reduction of wage costs.

This entire period is of great relevance because during this time not only have the above-mentioned juridical norms been established as well as behavioural patterns of companies (and employers) and workers (and trade unions) but with all this and its consolidation in the labour market and in the thinking of the society something has been constructed and institutionalised - for the first time in Spain - what we could call a "*system of vocational transition*" which defines some characteristics close to the issue of how young people have to be today in their processes of integration in society.

In spite of the fact that this range of measures is not stipulated formally for young graduates, for entrants to the labour market coming from vocational training, and for unskilled labour, relevant points of approximation can in fact be pointed out between these three types of young people and the measures being put into effect:

- for higher education graduates and entrants with a recognised occupational training qualification, the contract of practical work experience is relevant in addition to the systems of scholarships and in-the-job training being instituted in the curricula for various careers in many Spanish universities. These measures are, thus, instruments of frequent use within the "professional markets" (in a wider sense of both higher education graduates and of those with vocational training) and to a certain extent they are becoming entrance gates to these markets;

- for the internal markets of the companies, training contracts are of great interest; in particular in this phase in which those contracts do not expire with the acquisition of a title recognised by the (external) market;
- for the secondary markets the other temporary contracts (especially the key element of this period which is the "temporary job-creation contract") are of interest. In the course of these years the proportion of temporary labour (to employment) reached about 33% in Spain. Apart from exceptions, this has been the most frequent pathway for young people in Spain.

4.5.3.3 THIRD PHASE: TOWARDS A REINFORCEMENT OF VOCATIONAL STRUCTURES? (1994-1997-PRESENT TIME)

The structure of this "system of professional transition" has undergone important changes in the last years. At first, these changes have been imposed by decisions of the government counter-signed in parliament (in 1993-94). Afterwards, they have basically been the result of agreements between the social partners (and in some cases the government). Because of this, we speak of "imposed adaptability" and of "assumed adaptability" (Cachón, 1999). It is a system in which some pieces are still missing and which needs to be consolidated in the labour market and on the side of the companies and the labour force in order to start producing sustainable effects.

The reform of the labour market promoted by the government in 1993-1994 was said to follow a twofold approach: on the one hand, "to improve the development of collective negotiations as an element regulating employment relationships and working conditions" shifting "areas up to then reserved to state regulation to the field of collective negotiations"; and, on the other hand, "to introduce mechanisms of adaptability equably distributed among the different phases of development of employment relations" in order to reach "a more flexible management of human resources in the company".

This reform introduced to the Spanish labour law the expression "training contracts", a collective term including apprenticeship contracts and contracts of practical work experience. Furthermore, it did away with the general character of the temporary job-creation contracts.

The new contract of practical work experience (currently effective) can be concluded with those holding a university diploma or intermediate or higher-level occupational training qualifying for vocational activities, within four years after obtaining the qualification; the job must allow for gaining work experience adequate to the qualification level; the duration of the contract is between 6 months and 2 years to be determined according to the agreements of the corresponding sector; remuneration is settled in agreements but not less than 60% or 75% (for the first or second year respectively) of the agreed wage for a worker with an equivalent occupation. This contract reinforces the training character as the person needs to have a certain qualification in order to be engaged in this occupation, and the work they are performing must be adequate to the qualification for which the contract is concluded because it must allow for gaining work experience adequate to the qualification level. As pointed out by Valdés (1994), there must be a perfect correlation between the three manifestations of the occupational category: subjective professionalism (or vocational qualification), object of the job performance (category for which the contract is concluded), and effective tasks in the job. The lack of this triple correspondence deprives the contract in question of the nature of practical work experience contracts.

Furthermore, this reform substituted the contract of training for a new contract of apprenticeship in which - despite its name - the aspect "promotion of employment" (through the reduction of wage costs and through flexibility) predominates over the objective of training and made the temporary job-creation contract disappear (except for some groups under worse employment conditions). This contract was effective until 1997.

By the end of 1997, a series of important agreements was signed pursuing the development of vocational training policies which were a result of LOGSE and in April 1997, the trade unions CCOO and UGT and the employers' organisations CEOE and CEPYME signed three interconfederate agreements that marked the beginning of a new era in labour market policies. Out of these three, the "Interconfederate Agreement on Stability in Employment" (AIEE) is of particular importance in this field because it reviews integration mechanisms of young people in the labour market, measures geared to reducing temporary employment, and labour market rotation, as well as other issues regarding the normative system regulating contracts and dismissals⁴¹.

With regard to integration measures of young people in the labour market, the AIEE provided that the contract of practical work experience was to be maintained in the form introduced in the reform of 1994. AIEE also planned to substitute the apprenticeship contract for a new training contract "aiming at - as stipulated in the AIEE - the acquisition of theoretical and practical training necessary for an adequate performance on the job or for a job requiring a certain level of qualification". It applies to young people between 16 and 21 lacking the qualification required in order to realise a contract of practical work experience; collective agreements settle the maximum number of training contracts to be concluded taking into account the size of the staff as well as the jobs available for this kind of contract; the duration of the contract is between 6 months and 2 years (or a maximum of three if laid down in the agreement); the salary is collectively negotiated but not less than SMI except for those under 18 with a minimum of 85% of SMI. The most significant changes can be noted in the definition of the characteristics of the training these work contracts were to provide: at the end of the training, the employer has to give the trainee a certificate stating the duration of training and level of practical qualification acquired. The trainee can apply for a "certificate of vocation" issued by the authorities on approval; the share of training has to be settled in collective agreements but should never be below 15% of a regular working day.

On the other hand, the AIEE asked the government to establish "opportune incentives" in order to support the conversion from training contracts to permanent contracts, promoted the creation of a new contractual element (the "training contract with permanent employment": permanent but including a lower redundancy payment than for the rest of the permanent contracts and geared towards specific groups, such as young people between 18 and 29), and pointed out that in collective negotiations commitments could be set up to convert training contracts into permanent ones. Various norms have approved these incentives in form of reductions in the employers' social security contributions for the permanent employment of young unemployed people under 30 and for the transformation of contracts of practical work experience, training, or other fixed-term contracts into permanent ones (reductions amounting to between 20 and 35% which are extended if it is a question of women employed in occupations where they are underrepresented).

The framework of integration measures for young people in the labour market under the AIEE is more adequate than it used to be: the two contractual elements comprise a high

⁴¹ The content of AIEE was adopted in the legal regulation 8/1997, of May, 16.

training content and the training contract is conceived as a work contract which is used for the acquisition of a theoretical and practical qualification, it is structured to this end and it gives the collective negotiations an important role to play in the definition of its contents, and it demands from the government to establish the mechanisms for a recognition of the qualification acquired (by means of an diploma of formal value in the market: the certificate of vocation). Three conditions must be fulfilled for the consolidation of these contracts in the labour market: its long-term stability, the assumption of the problem of training people in these two contractual formulas by the social partners in collective negotiations and in daily working life, and the structuring of the complementary training offer and of the adequate certification by the administration (Cachón and Palacio, 1999).

The modifications which have been introduced in the "model of professional transition" in the two phases of this stage (1993-94 and 1996-97) and which are still effective today, seem to point at a recuperation of the importance of "integration" in the political project that inspired the model. Pointing in this direction are the active inclusion of the social agents in the different phases of the process, the normative configuration of the contracts of training and practical work experience, the reforms taking place in the field of vocational training in the wake of LOGSE, the revision of the contents of some fixed-term and part-time contracts, and the support measures for permanent employment.

It is difficult to assess recent business practices regarding youth labour management over the period of time since these new measure have been set going due to AIEE. However, several analytical points can be mentioned:

- First, the massive use of temporary work by the youth labour force, mostly males and in jobs of relatively low qualification finding its expression in various kinds of fixed-term contracts. This predominant trend can be expected to continue in Spain in the coming years.
- Second, an increasingly wide-spread utilisation of part-time work contracts (mostly temporary, as well) for female youth (and adults) in positions of low qualification.

The assessment of these employment patterns depends on whether they function as "bridges" to full-time and/or stable employment or as a "trap" set in particular for women. The question whether entrepreneurial practices make them a "bridge" or a "trap" depends - among other factors - on the degree to which people enter into these contracts voluntarily. These first two patterns could be relevant to the functioning of the secondary markets and for people (male and female) with low qualifications.

- The third option that can be found in the model would be the one derivative of the use of contracts of training and particularly of practical work experience as measures for the professional markets and for the more qualified internal markets.

If it is true that there are certain political changes taking place establishing the "model of professional transition" and if the above-mentioned conditions for these contracts to be asserted in the labour market can be fulfilled, these contractual terms which are going to affect more qualified labour (practical work experience) and those eligible for more qualification (training) of both sexes will have to be applied much more today (at least in relative terms) and will have to be turned into channels of access to stable employment. If this was the case - next to the predominance of seeking refuge in the external labour market characterised in Spain by the extended (and defensive) entrepreneurial culture of fixed-term contracts - we would see the emergence of an important segment of the companies (or of parts of the company) characterised by a management of the internal and professional markets which would enable us to speak of a reinforcement of professional structures.

4.5.4 Effects of Measures and Business Practices on the Transition into Employment

In the last years, various studies have been conducted in Spain expressly focussing on the processes of vocational integration of young people in Catalonia (in the ICE of the Autonomous University of Barcelona, covering different groups and years), in Asturias (in the University of Oviedo covering a sample of 2,000 young people in 1992), and in the region of Valencia. Furthermore, in the Youth Surveys periodically conducted at a national level by the Youth Institute or in studies on youth realised in some autonomous communities or municipalities, some information is collected on these processes of integrating young people in working life. This report is going to concentrate on the studies from ICE-UAB and the University of Oviedo because they are specifically aiming at an analysis of the processes of transition from a sociological perspective⁴². The studies, however, do not expressly analyse the role of youth employment policies as shaping these processes. Nevertheless, looking at their results, there are some observations to be made extending the argument developed in the section before⁴³.

Proceeding from the studies of the ICE-UAB in Catalonia, Casal (1999) thinks it expedient to distinguish six types of different paths among young people in the processes of vocational transition in Spain:

1. *Pathway of precocious success:*

describing young people with high expectations of their professional career which presupposes that they have the option of continuing educational training with positive results or, if not, that they have the option of occupational integration susceptible of gradual advancement through continuous training and/or rapid internal promotion. A significant proportion of the young people having followed an impeccable university path take up a stable employment with prospects of a professional career in the first three years of working life. The major part of the Spanish graduates of the cohort of a few years ago have taken similar directions. Higher education is not an indispensable prerequisite: some graduates of intermediate-level education have also succeeded in taking this kind of path.

2. *Pathway of workers:*

generally describing young people oriented towards a "working culture", manual and with low qualification. It presupposes the definition of a socially limited horizon in terms of a regulated training and an apprenticeship on the spot rather directed by existing employment offers than by personal vocational options. The scarce basic and vocational qualification determines the limitations of the "career" leading to the fact that such paths are particularly vulnerable to the changes in the labour market. The expansion of the construction sector, for instance, is em-

⁴² This will be done proceeding from the abstracts of the studies the authors have recently written for the book L. Cachón (ed), *Juventudes, mercados de trabajo y políticas de empleo*, Germania, Valencia, 1999. There are other publications by these authors (books and articles) comprehensively stating and analysing the results of their investigations. In this report, some of their arguments will be reproduced in form of a synthesis.

⁴³ The following analyses leave out two fundamental elements for the correct interpretation of some data: the spatial and temporal differences in the investigations analysed.

blematic of the process affecting these workers' paths in the recent past. Currently, many young people are taking this direction.

3. *Pathway of assignment in the family:*

corresponding to the existence of family enterprises or operations which is of less importance in terms of quantity.

4. *Pathway of successive approximation:*

a mode of transition defined by high expectations of social and occupational improvement (principally professional careers) within a context where possible options appear confusing. It is a mode of transition dominated by trial and error which necessarily implies a considerable delay in attaining one's objectives in the professional career and the emancipation from the family. It presupposes prolonged schooling, periods of work experience before integration, partial failures in moving from school to work, precariousness and underemployment, etc. It describes an integration process dominated by continuous adjustment of expectations (generally downwards) and gradual attainment of partial objectives. This form of transition has always existed but today, it has become the dominant mode of vocational transition for young people in Spain.

5. *Pathway of precariousness:*

defined by job careers with hardly constructive results in the labour market: intermittent situations of unemployment, strong labour rotation and underemployment are the three dominant characteristics. The particularity of this path compared to the one before lies in the fact that it does not appear constructive from a vocational transition point of view. It might result in a certain occupational stabilisation for the young person but the study on integration of young adults has shown that part of the generation over 30 years old goes on still immersed in this pathway.

6. *Pathway to destabilisation:*

meaning processes of integration that indicate blockade situations in the construction of vocational transition and emancipation from the family. In general, the expectations of the social starting position already tend to be low and school education short, erratic, and with negative certifications. The peculiarity of this mode of transition is the systematic blockade before integration in the labour market: this path is full of chronic unemployment situations and circumstantial entries in the secondary labour market. The majority of the activities is developed in the marginal economy or in forms of underground economy.

Whereas the first two types of transition were the most typical (while the importance of the third was decreasing) until the crisis in the mid-1970s, the predominant occupational transitions among youth in the last two decades have been the last three alternatives: According to Casal, "successive approximation" is becoming the dominant mode of transition but the pathway of "precariousness" has reached a considerable weight in Spain since the mid-1980s, and "destabilisation" is a phenomenon which - although a minority - indicates a social problem of great magnitude.

Masjoan et.al. (1999) analysed the vocational transition of graduates from different fields of study in Catalanian universities between 1986 and 1989 and reached the following conclusions on their job history three years after having graduated:

- *Professionals*: beginning their professional career for own account and remaining in the same situation three years after having completed their studies: 7% of the cases;
- *Mobility to liberal profession*: entering into working life generally through a fixed-term contract but by the end of the period becoming established for own account: 6%;
- *Fixed employment*: entering with a permanent contract and continuing: 28%;
- *Mobility to permanent contracts*: passing from fixed-term contracts or on one's own account to a situation of stable employment: 18%;
- *Eventuality*: entering into working life with a fixed-term contract and continuing: 33%;
- *Unemployment*: not having succeeded with vocational integration: 9%.

The development of the occupational status of these higher education graduates also varied in the course of the first three years of vocational integration. The findings are as follows:

- *Executives*: entering into working life as executive and maintaining this position: 21%;
- *Mobility to executives*: entering into working life as specialist and advancing to executive: 19%;
- *Specialists*: starting and remaining in the position of a specialist: 37%;
- *Mobility to specialists*: entering into working life as employee and advancing to specialist: 7%;
- *Employees*: starting in a situation of underemployment and remaining there: 7%;
- *Unemployment*: individuals not having succeeded in entering the labour market: 9%.

Gutiérrez et.al. (1999) point out three conclusions from the study conducted with young Asturians:

1. The process of integration is characterised by rotation between situations of employment and unemployment. In fact, half of the young people entered into their first employment after education without a period of unemployment. This rotation predominantly takes place in the form of a chaotic pathway because of the proliferation and prolongation of the steps in between situations of employment and unemployment.
2. Educational levels of the young people strongly influence the speed of accession to a first employment as well as the occupational status of it but have less influence on the guarantee for a stable job and career. This depends more on the access to a specific apprenticeship within the framework of the first employment situations.
3. Important gender-related differences can be noted regarding the success of labour market integration.

The results of this investigation made its authors emphasise a certain predominance of the "hierarchical thinking" which finds its expression in various kinds of phenomena: educational credentials play an important role in soon finding a job and with regard to the access to initial employment with greater opportunities of an apprenticeship; the displacement of young people with inferior educational level in the competition for less qualified employment compared to those with upper secondary education; the greater difficulties of young women regarding stabilisation and promotion; and, above all, the fact that the amount of work experience gained in low-skill employment sectors seems to be almost the only factor having a positive

influence on stable employment. In the opinion of these authors, public policies of (external) flexibilization of the labour market have discouraged possible strategies of internal flexibilization in the companies which would be characterised by turning human capital of a company into a strategic resource and by constantly expanding opportunities for active participation of the employees in the company.

The results of these investigations could be interpreted (in a way, of course, simplistic) in terms of the two variants of segmentation applied in the section before (qualification level of young people - university graduates, vocational training and unskilled - and types of labour markets - professional, internal, and secondary) and in terms of the measures of employment policy analysed in the previous section.

Thus, the types proposed by Casal could be re-interpreted in terms of this threefold point of view: the first two types ("precocious success" and "worker") would correspond to professional markets of university graduates or of those having completed vocational training who would be able to get permanent contracts within a relatively short period of time. None of this seems to be the predominant situation for young people in Spain today. The type "successive approximation" could in part also correspond to university graduates or to those having completed vocational training but they will achieve their integration through contracts of practical work experience (and in some cases contracts of training) and other fixed-term contracts until after some years, they obtain a permanent contract enabling them to enter into professional markets or to advance in internal markets of the company. This is an important type of vocational integration in Spain today. The type "precariousness" affect in particular unskilled young people passing through fixed-term contracts without training elements and finding themselves in the secondary labour markets. The other two types ("assignment in the family" and "destabilisation") are of less significance and follow a different logic.

Looking at Masjoan's results regarding university students from the typology of Casal, we could say that, on the whole, one third follow pathways of success (liberal professions and permanently employed people), one third pathways of successive approximation (mobility to liberal professions and permanent contracts, in addition to a share of eventualities), and one third pathways to precariousness. The first ones are self-employed or have a stable contract, the second ones could have contracts of practical work experience, and the last group would typically be in other fixed-term employment (or unemployed).

Gutiérrez' survey on Asturian youth shows the general preponderance of the model "precariousness" and the importance of both the educational level and gender in order to explain significant differences in the youth labour market.

All these analyses are based on the measures of youth employment policy effective prior to the reforms of 1994/1997. Regarding possible effects of the new schemes of public intervention it is maintained what was pointed out in the previous section.

4.5.5 Summary and Conclusions

The changes which have been taking place in the Spanish labour market since the mid-1970s, have been accelerated since the mid-1980s beyond the cyclical patterns of economy or employment. With regard to young people the following aspects have to be emphasised:

- Reduction in size of the youth cohort and of its share in the active population;
- Prolongation of schooling;

- Improvement of the youth employment situation in the last four years (since 1995);
- The destabilisation of youth employment is very significant although different patterns for labour market integration exist;
- Significant modifications in the priorities of young people in the labour market.

The establishment of a model for vocational transition in Europe over the last twenty years has gone through three stages: an experimental phase (1976-1980) focussing on the reduction of labour costs; a second stage (1980-1994) during which various elements of the model of transition from school to work have been introduced which were seen as articulated and emphasising the flexibility of work contracts through "temporary employment"; and a third stage (since 1994) in which parts of the model have been modified retaining the same name as in the previous stage (contract of practical work experience and of training) but responding to a different thinking. Together with other changes having occurred both in the vocational training system and regarding university degrees, one could say that the prime impulse is a notion of "professionalism".

The crises in the field of economy and employment relations and the model of vocational transition being introduced in the mid-1980s, have resulted in notable changes in the mode of transition of young people to the labour market. In spite of the fact that the former higher education system and vocational training system were inadequate for the requirements of the productive system, pathways of "precocious success" (among university graduates) and of "workers" (among those with vocational training and even among unskilled people) were predominant until the mid-1970s; since then, these two types of transition have lost their importance, while pathways of "successive approximation", of "precariousness" and even of "destabilisation" have increased.

The pathway "precocious success" and "worker" would correspond to professional markets of university graduates or of those having completed vocational training who would be able to get permanent contracts within a relatively short period of time. The type "successive approximation" could in part also correspond to university graduates or to those having completed vocational training but they will achieve their integration through contracts of practical work experience (and in some cases contracts of training) and other fixed-term contracts until after some years, they obtain a permanent contract enabling them to enter into professional markets or to advance in internal markets of the company. The type "precariousness" affects in particular unskilled young people passing through fixed-term contracts without training element and finding themselves in the secondary labour markets.

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4.5.5.1 STATISTICAL ANNEX

Table 1: Development of Activity, Employment, and Unemployment in Spain in the Last Decade

	1989	1994	1998
BOTH SEXES			
ACTIVE POPULATION	14,749,500	15,490,600	16,230,600
Activity rate	49.0	49.1	49.9
EMPLOYED POPULATION	12,194,400	11,727,700	13,160,600
Employment rate	72.2	73.4	76.9
Fixed-term employment rate	26.5	33.6	32.9
Part-time employment rate	4.8	6.9	8.1
UNEMPLOYED POPULATION	2,555,100	3,762,900	3,070,000
Unemployment rate	17.3	24.3	18.9
% of long-term unemployed	59.8	54.8	53.4
MALES			
ACTIVE POPULATION	9,651,100	9,681,400	9,873,000
Activity rate	66.3	63.5	63.0
EMPLOYED POPULATION	8,383,600	7,743,000	8,497,000
Employment rate	72.6	72.4	75.3
Fixed-term employment rate	24.4	31.4	32.0
Part-time employment rate	1.6	2.6	3.0
UNEMPLOYED POPULATION	1,267,500	1,938,400	1,376,000
Unemployment rate	13.1	20.2	13.9
% of long-term unemployed	52.9	48.3	47.3
FEMALES			
ACTIVE POPULATION	5,098,400	5,809,100	6,357,600
Activity rate	32.7	35.7	37.7
EMPLOYED POPULATION	3,812,800	3,984,600	4,663,600
Employment rate	71.2	75.3	79.7
Fixed-term employment rate	31.2	37.9	34.4
Part-time employment rate	11.9	15.2	17.2
UNEMPLOYED POPULATION	1,287,600	1,824,500	1,694,000
Unemployment rate	25.3	31.4	26.7
% of long-term unemployed	66.7	61.8	58.3

Source: INE, *Encuesta de Población Activa* and author's own elaboration

Table 2: Development of Activity, Employment, and Unemployment of Young People (16-24 year-olds) in Spain in the Last Decade

	1989	1994	1998
BOTH SEXES			
ACTIVE POPULATION	3,052,200	2,7618,00	2,570,100
Activity rate	49.9	44.9	43.9
EMPLOYED POPULATION	2,005,000	1,515,300	1,651,300
Employment rate	82.8	84.5	88.3
Fixed-term employment rate	60.2	74.4	72.9
UNEMPLOYED POPULATION	1,047,300	1,246,500	918,800
Unemployment rate	34.3	45.1	35.7
% of long-term unemployed	58.5	48.1	42.1
MALES			
ACTIVE POPULATION	1,674,600	1,526,600	1,424,300
Activity rate	52.4	48.2	47.4
EMPLOYED POPULATION	1,213,900	894,500	1,004,600
Employment rate	80.9	81.7	86.7
UNEMPLOYED POPULATION	460,700	632,100	419,700
Unemployment rate	27.5	41.4	29.5
% of long-term unemployed	49.6	42.6	36.2
FEMALES			
ACTIVE POPULATION	1,377,600	1,235,200	1,145,800
Activity rate	47.3	41.5	40.2
EMPLOYED POPULATION	791,100	620,800	646,700
Employment rate	85.8	88.6	90.7
UNEMPLOYED POPULATION	586,700	614,400	499,100
Unemployment rate	42.6	49.7	43.6
% of long-term unemployed	65.4	53.8	47.0

Source: INE, *Encuesta de Población Activa* and author's own elaboration

Table 3: Development of Special, Registered Contracts Particularly Affecting Young People (1978-1994)

	<i>Specific contracts for young people</i>					<i>Other contracts</i>	
	Pro-gramme of youth employ-ment promotion (1978-81)	Contract of prac-tical work experi-ence	Contract of train-ing (1)	Permanent contract for young unem-ployed, 18-29 yrs. (2)	Training contracts turned into per-manent ones	Part-time con-tracts (3)	Tempo-rary con-tract of job-creation (4)
1978	71.111	--	--	--	--	--	--
1979	167.912	--	--	--	--	--	--
1980	194.387	--	--	--	--	--	--
1981	126.684	2.512	4.722	--	--	7.046	67.977
1982	--	7.926	20.508	--	--	27.749	253.183
1983	--	9.144	21.958	--	--	33.269	220.068
1984	--	14.002	27.410	--	--	47.665	235.368
1985	--	51.766	112.736	--	--	121.905	432.175
1986	--	86.676	161.121	--	--	177.449	536.594
1987	--	128.187	218.229	--	--	220.846	666.577
1988	--	170.226	263.606	--	--	289.395	862.400
1989	--	225.534	335.618	--	--	358.533	1.100.371
1990	--	212.872	303.918	--	--	413.236	1.169.662
1991	--	187.118	262.841	--	--	473.495	1.142.774
1992	--	109.324	137.706	1.872	20.847	541.864	856.503
1993	--	55.649	55.114	1.885	30.862	637.462	544.772
1994	--	50.962	208.975	2.284	32.320	935.647	266.500
1995	--	69.975	179.072	2.140	21.835	1.128.892	56.816
1996	--	70.054	184.577	1.554	19.805	1.516.455	44.314
1997	--	81.056	156.151	83.844	35.617	1.859.851	17.863
1998	--	94.926	147.415	234.616	47.803	2.219.683	--

(1) Apprenticeship contract between January, 1994 and May 1997

(2) Included in RDL 8/97 since June 1997

(3) Various normative modifications in the period selected

(4) Substantially modified in June 1994

Source: I.N.E.M., *Estadística de empleo* and MTAS, *Boletín de Estadísticas Laborales*

4.6 Hans Rutjes National Report The Netherlands

4.6.1 Introduction

At the end of the German presidency of the European Union a conference is organised on the theme of labour market integration of the “Zweite Welle”. The term *Zweite Welle* in the Germans context refers to those with some kind of secondary level vocational education, either full-time or through an apprenticeship, that enter the labour market and can not find a job. Given the current economical and labour market situation in Germany, with relatively high levels of unemployment, the labour market integration of this group is difficult.

The idea of the conference is to discuss the different approaches and measures for the improvement of the labour market integration of this group in a number of European countries and to put these in a international comparative perspective. An important issue in this discussion will be the national and cultural differences, for instance in the educational systems, under which these measures and approaches have been developed. For this purpose a number of European countries have been chosen with various educational systems and labour market strategies. This note describes the current situation in The Netherlands and the measures that have been developed since the second half of the eighties to overcome high levels of unemployment at that time point.

4.6.2 The Dutch Educational System

One can use various theoretical models to describe national educational systems. For this note a model has been used that was recently described by Hannan et al. in work for the OECD and Muller and Shavit in papers for the European Network on Transitions in Youth. This model is based on three characteristics: differentiation (number of recognised tracks and levels), standardisation (in how far is the curriculum and examination set at a national level) and linkage to the labour market (involvement of employers / industry). Within this model the Dutch educational system can be characterised as follows:

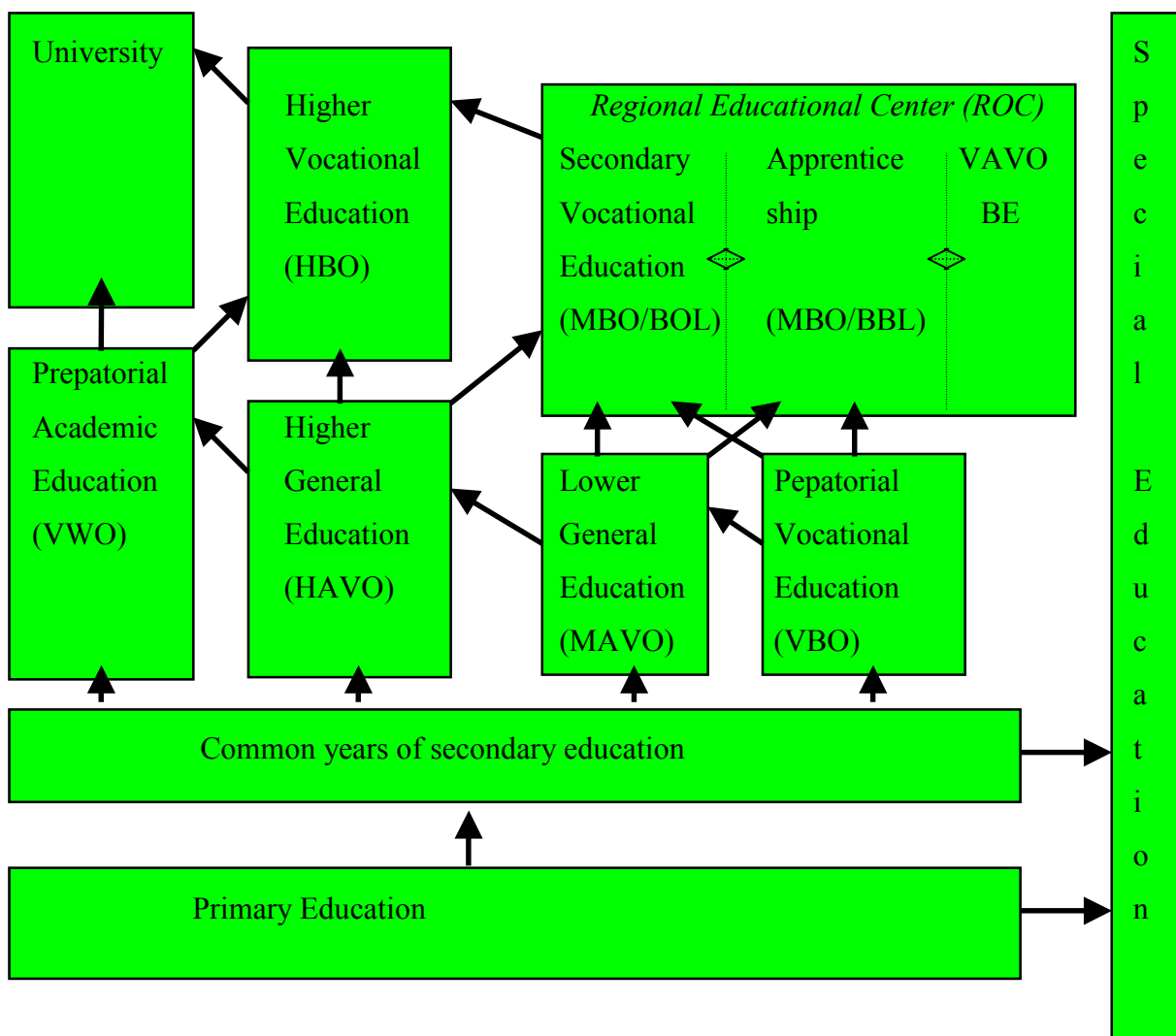
- **Highly differentiated**, meaning that certainly compared to other countries in Europe the Dutch educational system has very many levels and tracks within these levels that lead to a recognised diploma on a national level;
- **Standardised**, meaning that examinations are largely set by the state and that only a very small part of the examination of the various tracks and levels is determined by the individual educational institutes. For all tracks and levels so called “Eindtermen” (end terms) are described. These “eindtermen” give the content of the curriculum for a specific track on a specific level. Examination should be in accordance with them. This means that although there is some freedom in the curriculum and although individual educational institutes determine a small part of the examination, the Dutch educational system is relatively standardised.
- **Low level of linkage to the labour market**, meaning that although The Netherlands has a apprenticeship system that is very regulated and differentiated, the proportion of pupils ending up in a apprenticeship is relatively small compared to the proportion participating in full-time secondary vocational education. Table 1 furthermore shows that this proportion has gone down dramatically on all levels over the last ten years, despite discussions

that the apprenticeship system should be promoted and extended. Apart from the apprenticeships, the overall interference of employers / industry with the Dutch educational system is low.

The above means that in the European context the Dutch educational system has a very specific place in between the very homogeneous systems of for instance Britain and Ireland, (hardly differentiated and almost no linkage to the labour market) and system as they exist in for instance Denmark, Germany and Austria (fairly differentiated, but with a high level of labour market linkage mainly through the apprenticeships). At the same time there is a lot of vocational education in The Netherlands, especially on upper secondary level. In this sense there is some resemblance with the French educational system.

Like elsewhere in Europe, from the mid-eighties onwards, the general trend in the Dutch educational system is that more and more pupils continue in further education on upper secondary and third level. And like stated above, in the Dutch case this was combined with the trend that pupils no longer enter the apprenticeship system, but full-time regular vocational education.

Scheme 1: The Dutch educational system



At the same time parts of the educational system have been reformed and so called "Starting qualifications" (Start kwalificaties) have been defined and introduced. This means that one needs a diploma of upper secondary education to be seen as qualified for participation on the labour market. A VBO or MAVO diploma therefor is not sufficient. In earlier days VBO (preparatorial vocational education) was called LBO (lower vocational education) and seen as preparatorial for the labour market. Today all tracks one can enter from primary education are looked upon as preparatorial for further education. This does not mean however that nobody enters directly on to the labour market. Especially from the VBO-tracks still a lot of pupils enter directly on to the labour market, however major shifts have occurred over the last ten years. Besides the fact that the number of pupils entering apprenticeships went down, the average level of the pupils entering apprenticeships also went down. Partly because people from VBO C-level tend to go on to full-time upper secondary vocational education, but also because all in-service education in the health care sector has been integrated in full-time upper secondary vocational education since two years. It was precisely here where girls with relatively high levels of secondary education (MAVO / HAVO) used to enter the apprenticeship system in the past.

Table 1: MAIN STATUS APPROXIMATELY ONE YEAR AFTER LEAVING SCHOOL OF LEAVERS WITH A DIPLOMA

YEAR	TYPE	EDUCATION	APPRENTICE	WORK	UNEMPL.	MIL. SERV.	OTHER	N
1989	IVBO	22,50%	37,10%	27,70%	6,10%	4,50%	2,60%	267
1998		41,90%	23,50%	30,70%	1,50%	-	2,30%	391
1989	VBO	46,20%	32,00%	16,10%	2,00%	2,60%	2,30%	4613
1998		59,70%	16,00%	20,80%	1,20%	-	2,40%	1565
1989	MAVO	77,20%	13,90%	7,20%	1,00%	0,40%	1,40%	1529
1998		82,60%	6,40%	8,00%	0,80%	-	2,20%	1619
1989	HAVO	77,10%	8,10%	11,60%	0,60%	2,80%	2,10%	799
1998		88,30%	1,80%	8,00%	0,20%	-	1,60%	1693
1989	VWO	86,60%	4,10%	5,40%	0,10%	1,60%	3,20%	689
1998		95,00%	0,30%	3,40%	0,20%	-	1,10%	1473
1989	MBO	19,60%	11,90%	57,60%	3,20%	5,90%	3,30%	10426
1998		31,60%	2,90%	62,60%	1,20%	-	1,60%	8906

One other factor that strongly influences the differences in main status approximately one year after leaving school is the fact that military service ceased in 1996. On the lower levels part of the group that used to go in military service now directly enters the labour market. The major proportion however continues in full-time (vocational) education. For the higher levels (HAVO/VWO) there is a clear trend towards continued education. The fact that military service no longer exists clearly did not raise the unemployment levels of school leavers. On the contrary on all educational levels with some unemployment of leavers in 1989 the unemployment levels went down.

Another major reform that occurred over the last years is the development of larger educational institutes on lower as well as upper secondary level. Some of the reasons for the merging of institutes include:

- cost effectiveness
- easier change from one track and level of education to another (everything is in-house) and with that hopefully less drop-outs.
- delayed choice of track and level

This merging occurred as well between VBO-schools and schools for general academic tracks as on the upper secondary vocational level. On the upper secondary level Regional Educational Centers (ROC's) have been created. These educational institutes (often around 30.000 pupils/students) incorporate the old full-time MBO structures, the theoretical component of the apprenticeship system, basic education (BE: Dutch as second language for ethnic minorities, integration courses in Dutch society, orientation on educational possibilities, etc.), and VAVO (second change adult education).

4.6.3 Development of Measures and Schemes for Labour Market Integration

The Netherlands has traditionally been a country with a labour market strong in trading, logistics, the financial sector, etc. At the same time however there used to be quit a bit of industry and production, often very regionalised. During the second half of the seventies the labour-market started to change as a result of the fact that companies for heavy industry and intensive production started to close down or disappear to lower wage countries. In The Netherlands this meant that for instance textile and shoe industry disappeared, ship-yards closed down and coal-mines that were already heavily subsidised by the state, were closed. Given the regional character of a lot of these industries very many regions suffered from high levels of (long-term) unemployment during a major part of the eighties. Shown by the fact that unemployment levels went up from around 150.000 to close to 1.000.000 people. With the high levels of (youth) unemployment during the mid-eighties a number of options were considered to overcome long-term unemployment and permanent unemployed generations. Some of these are:

- general agreement between the social partners to keep wages low, inflation down and with that create a better international position for The Netherlands that allows for the export of products. Generally known as "The Poldermodel".
- the introduction of labour market integration measures for unemployed (young) people.

For the development of labour market integration measures of course one looked at what happened elsewhere in Europe. One of the problems however with copying ideas from abroad in general is that they often do not fit in the national and cultural context and therefore become a failure before they have been implemented.

In 1984 a number of communities started what was called "Doelmatigheidsbeleid" (efficiency policy) to combat the unemployment of 15 to 20 year old youngsters. They started to create Work Experience Places (WEP) at a community level. To understand the reason behind this development it is important to know a little about the Dutch social security system. Within the social security system we know insurance's and allowances. Insurance's include amongst others:

- WAO for people no longer fit to work due to mental or physical reasons,
- WW for people generally unemployed and fit to work.

During their working life people pay for these arrangements under the social security system and therefor, like a pension, they are looked upon as insurance's. However to receive WW or WAO one needs a labouring past and besides that the period in which one receives WW and WAO is limited and depends on the number of years one has worked. Both insurance's are fully paid by the state and carried out by so called "Uitvoeringsinstellingen" (Uvi).

For those that have no labouring past and/or that receive no longer WW or WAO we have the so called "Bijstand" (General support). This is the basic level of support under the social security system. Although officially paid for 90% by the state this arrangement under the social security system is carried out on a community level by the communities themselves. One can understand that with the raising levels of youth unemployment and long-term unemployment the costs for the communities to carry out the Bijstand were also raising which partly explains the reasons behind the idea of "Doelmatigheidsbeleid".

The effect of the WEP-projects was that instead of the normally 50 out of 100 people finding a job within a certain period, this number was raised to around 70. Reasons for this:

- People were away from isolation,
- People were applying for a job from a working situation,
- The development of personal networks.

Following the success of the WEP's, in 1987 Minister Van der Louw of the Ministry of Welfare, Health and Culture develops the idea of a job-plan for unemployed young people (TVGWJ) on a community level, but with national standards. General rules for this job-plan included:

- Not compulsory for communities,
- Not compulsory for unemployed youngsters,
- Maximum age 20 years,
- Contract of half a year with the community,
- Maximum duration on the workplace one year.

Out of all the unemployed young people entering this measure 80% finds a job within one year and does not show up in the unemployment figures for at least half a year after leaving the measure.

Given the still relatively high unemployment figures at that time point and the success of the measure mentioned above, the Ministry introduced in 1991 a revised approach for the TVGWJ called JWG (Youth Work Guarantee Plan). This approach stayed in place until 1998. This approach is characterised by:

- Compulsory for communities,
- "Bijstand" fully paid by the state for those in JWG, communities no longer had to pay the 10% for these people,
- 32 hour jobs,

- Maximum one year in one working place under the JWG,
- Compulsory for youngsters 16 / 21 years of age after 6 months of unemployment,
- For every big city and rural area “Stichtingen” were set up to act as employer, which meant that the community no longer acted as employer,
- Work guarantee until age 27 via “stichting”,
- Approach was put in the law → pension !
- “Stichting” able to ask employers for money somewhere between f 0,- and f 2.500,- on a annual basis.

More or less at the same time and given the high level of long term unemployment amongst elderly employees, so called “Banenpools” have been created for people over the age of 40. The implementation was mostly taken up by the same organisations that carried out the JWG. To participate in a Banenpool one had to be unemployed for at least 3 years and without any chances on the labour market. The last factor to be deterrent by the labour office. The work consisted of 38 hour jobs against minimum wage. The Stichting would ask employers for an annual fee of f 2.500,- to f 5.000,-. In practice people of over 45 years of age participated. On a national level the number of jobs in Banenpools was maximised to 20.000.

Given the two measures, the following situation existed:

16 / 21 years of age until 27 → JWG	X	40+ Banenpools
--	---	----------------

Now we were in a situation with possible solutions for younger and older long term unemployed people and people at risk. Still however there was a gap for people between 27 and 40+ and for special groups, such as Travellers, Inner city ethnical groups, marginalised youth at risk, etc.

For the later groups in 1994 a special measure was created called the VBO (Vorbereidings-overeenkomst = prepatorial contract). The measure was compulsory and meant to take away special personal characteristics that made it difficult for these young people to take part in the JWG. The activities under the VBO included training of personal characteristics, language and other education. At the end of the VBO period people could either be placed in JWG or enter directly on the labour market in case a job was available. During the VBO-period payment was in accordance with “Bijstands-level”.

All the above measures together should create a situation with a possible solution for all individual (long term) unemployed within a certain age group. Up to this point we are talking about “Additional Labour”. Additional because it is next to some form of payment through the social security system.

With the creation of a new cabinet in 1995, in which the left wing socialist party was one of the prominent partners, a range of measures in the line of subsidised work was created. These measures were named after the Minister of Social Affairs and Labour at that time: “Melkert”.

The first measure (Melkert I or EWLW) created 20.000 subsidised jobs in the public sector within the 80 bigger cities in The Netherlands. One can think of public transport, health care,

social sector, etc. Later this number was extended to 40.000 through 20.000 additional jobs in the health care sector. The maximum payment was 120% of "Bijstands-level" fully paid by the state.

In March 1995 Melkert II (EAU) was created. Cities and regions were invited to put forward ideas for projects/experiments for the labour market integration for people between 27 and 40 years of age with a income under the social security system. The ideas were mostly brought forward by the "stichtingen" already carrying out the JWG and the labour market integration measures on a community or regional level. One of these projects was for instance "De Witte Werkster" (The white cleaning lady). The idea was to turn black economy household activities into regular (part-time) jobs. Another project was the so called "Labour Lease". Unemployed people could start to work with a salary fully paid by the state. At the same time the employer was asked to pay a pre-set amount of money to the regional "Stichtingen", depending on the qualities, level and production of the unemployed person. Employers had the right to offer these people a regular contract at any time. The additional money raised by the "Stichtingen" in this way, was again used to create additional jobs on the regional level.

Following Melkert II, Melkert III was created. This was a relatively small program with some experimental projects which we will not describe here.

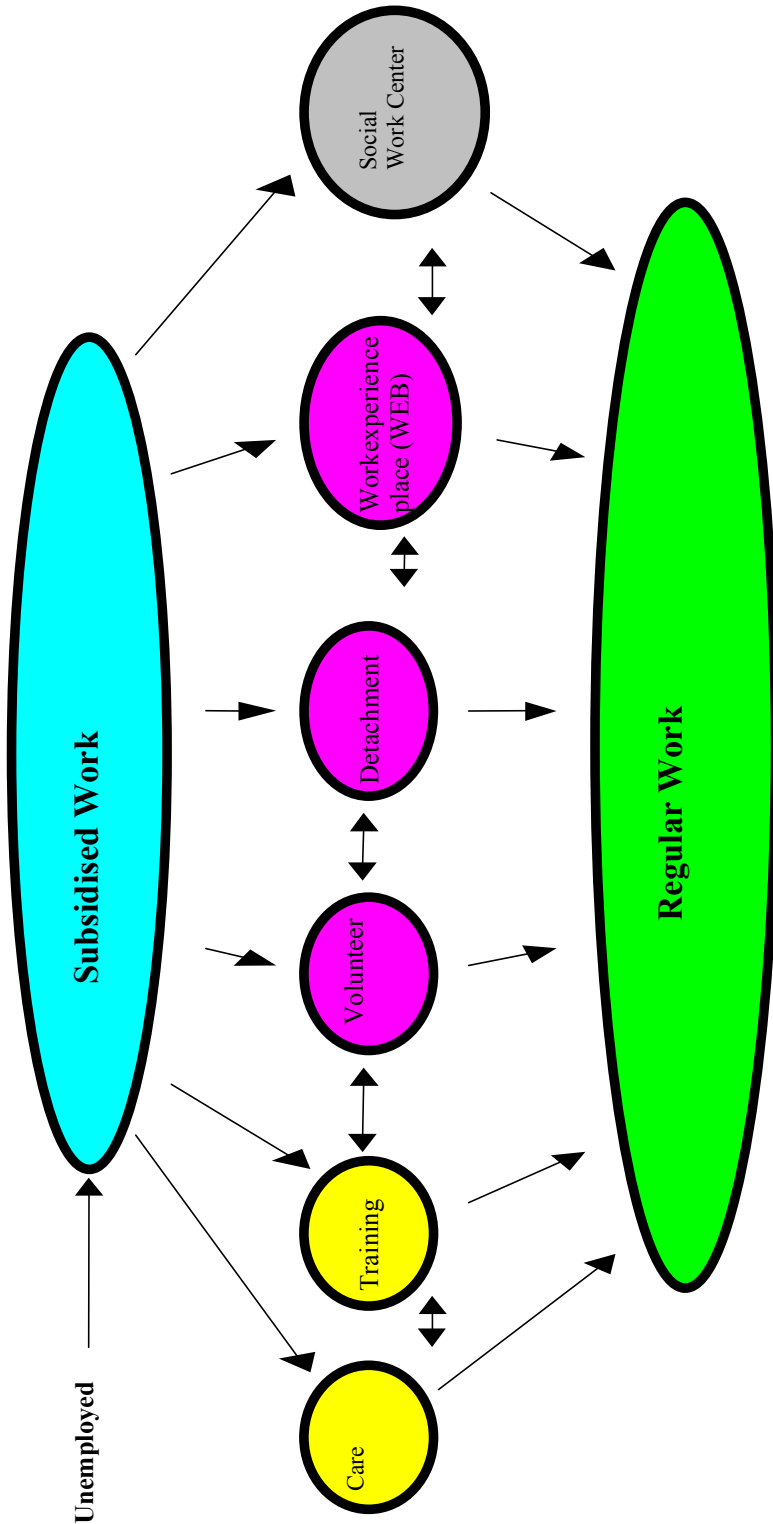
All the programs mentioned above are focused on a regional level and those people unemployed and in the lowest part of the social security system (Bijstand). Other measures for the Labour Market integration of this group and/or other groups of people at risk, include:

- **ARBVO Measures**

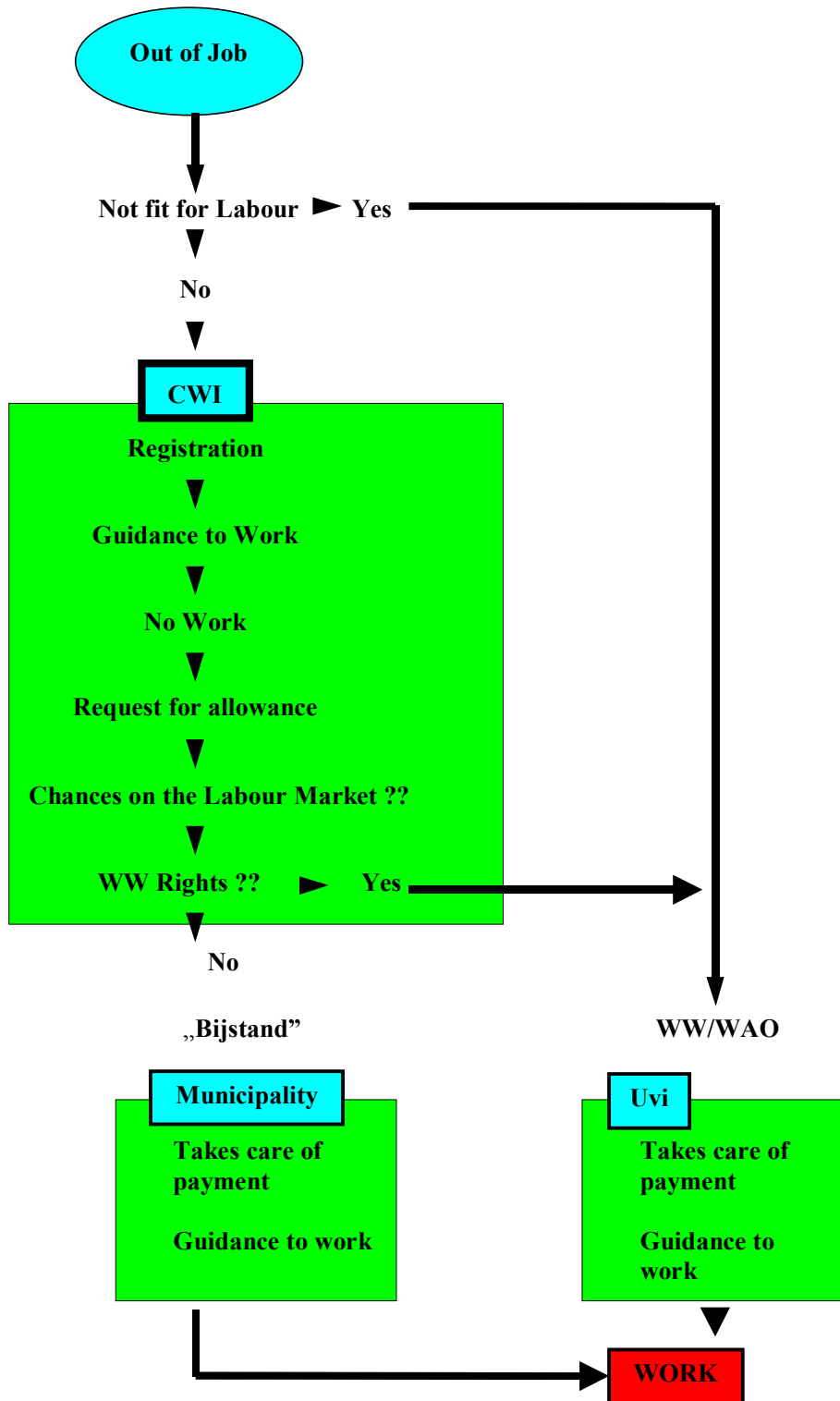
- CVV, CAVV, CBB, these are training centers of the Ministry of Social Affairs and Labour that offer unemployed people the possibility of orientation on the labour market and to learn skills needed in jobs with a labour market perspective.
- Wage subsidies for employers, the so called "Kaderregeling Arbeidsinpassing". Limited to a maximum of two years per employee and ranging from f 10.000,= to f 16.000,= a year per employee.
- **Law Vermeend/Moor**, this law offers tax reduction and reduction of social security payments for employers when they hire unemployed people with certain characteristics. The maximum duration per individual employee ranges from two to four years and could go up to approximately f 8.000,= a year. This measures can be used in combination with wage subsidies.
- **Sector fondsen**, these funds are the result of the reservation of part of the total wages in specific sectors of the labour market and spent to help long term unemployed people with training and work with the purpose to (re-)enter in these sectors. The level of financial reservations is agreed in the collective labour agreements between unions and employers.

This concludes the description of the situation until the first of January 1999. All of which was focused on one thing: **"to place work before income"** and give it a higher priority. Looking back at all the measures we can say that the measures on a regional level and what has been agreed between unions and employers in the collective agreements has worked best to fight unemployment. All the other measures certainly played a role, but a much more marginal one.

Scheme 2: Overview of possibilities to come from unemployment via subsidised work to regular work under the WIW Part 1



Part 2



4.6.4 Current Situation

Over the years, with a growing number of measures for different groups and on different levels, there was a need for simplification. Both employers and unemployed could not overlook all the different arrangements; and what these had to offer; and therefore did not make maximum use of the possibilities. This was worsened by the fact that a range of different institutions was involved in carrying out the different measures. Although the majority of measures was carried out by the regional "Stichtingen", there was a number of other organisations involved, like: Labour Office, Uitvoeringsinstellingen, etc.

From the first of January 1999 the so called WIW (Law on Integration of Unemployed) has replaced most of the measures that have been described above, with the exception of Melkert I, wage subsidies, tax measures, sectorfondsen and other ARBVO-measures. At the same time the so called CWI (Center for Work and Income) has been created on a community or regional level. The idea of these centers is to bring together under one roof all the organisations and institutions an unemployed persons needs to arrange his social security payments, registration with the labour office, possible WIW arrangements, etc.

From the first of January 1999:

- All money is put in a regional/community work funds
- All control over labour market integration measures is given to the regional level, within the boundaries of the law.
- Everybody can enter the measures, not only those at Bijstands-level, but also people with unemployment payment, those disabled for certain jobs, people without any social security payment, etc.
- The criterium for entering is one year or longer unemployed for people over 23 years of age and the possibility for direct entrance for those below this age. At the same time entrance into the program is compulsory for those below 23 and unemployed for one year.
- For those above the age of 23 screening and indication for necessity is done by the regional labour office.

At a practical level the CWI in most cases work quit well and former independent organisations have found a place in this new organisation. At a management level however things are still complex and integration takes place very slowly. One of the reasons for this is that each of the former organisations had their targets. Up to this moment they are still evaluated by these targets, which makes for instance that every unemployed person over 23 years of age that is recognised by the labour office for work under the WIW can not be counted as a success for the labour office. This means that the individual organisations, at least at a management level, still have a tendency to defend their own structures and interests.

Furthermore the success of labour market integration measures depends on the size of the community/region. Success rates of integration on the labour market are higher in small communities/regions than in the major cities. This no doubt has something to do with the level of personal attention and the way these smaller societies operate.

Another thing that has to be remembered is that the new organisation structure (CWI) and new law (WIW) are introduced in a period of relatively low unemployment rates. The total number of unemployed people is down to below 300.000. Whether this is a success of the

former approach and measures remains a question, but fact is that the groups for which the measures are mentioned, sometimes are very small. The result of this is that the attention and focus is more and more moving away from the bulk in the direction of special groups like mentally and physical disabled people, inner city youth at risk (often with an ethnical background), etc.

The last point that should be mentioned is that recently the focus of the social partners within the Poldermodel is changing from work as a priority in relation with a healthy international position towards the idea of human values and healthy and happy employees. The idea is that the Poldermodel as it existed up to now is losing its power in relation to the way in which the Dutch society is developing. This means that the old issues of the model are still important, but that the social partners are working towards a refreshment of the model in the coming years, whereby other issues will become more important.

List of abbreviations:

CAVV Center for administrative training

CBB Center for vocational orientation

CVV Center for vocational training

CWI Center for Work and Income

HAVO Upper secondary general education

IVBO Individual lower secondary Preparatory Vocational Education

JWG Youth work guarantee plan

MAVO Lower secondary general education

MBO Upper secondary Vocational education

ROC Regional Educational Center

UVI Uitvoeringsinstelling, responsible for payments, etc. of the state part of the social security system

VBO Lower secondary Preparatory Vocational Education

VWO Upper secondary Preparatory Academic Education

WAO Social security for people no longer able to work due to mental or physical reasons and that have a labouring past

WIW Law on integration of unemployed people

WW Unemployment benefit

4.7 Annie Boudier, Patrick Werquin National Report France

4.7.1 The Context in France⁴⁴

4.7.1.1 THE LENGTHENING OF THE SCHOOL-TO-WORK TRANSITION PERIOD

1. In the mid-1970s employment began to decrease in France. As a consequence, the number of job vacancies for young people leaving initial education/training and arriving in the labour market in search of a first job began to decline as well. The transition from school to work was taking longer and longer. Ultimately, some young people ended up not finding a job and withdrew from the labour market. Two major trends are worthy of notice concerning young people today: First, the proportion of young people remaining in initial education/training has been increasing for over the last two decades; and second, the government has been intervening heavily in the youth labour market for about the same period of time.

2. As a major result of the lengthening of the transition period between initial education and training, the educational attainment of young people has risen. The focus of this paper is not on those who continue on to higher education, however, the latter is, in a nutshell, a good strategy for young people. This is so given basic indicators available in France which compare labour market outcomes of pre-bac leavers⁴⁵ and tertiary education graduates – unemployment rate and wage, for instance – (Martinelli et Werquin, 1998).

3. The second consequence is that fewer people under 25 years of age are in the labour force today. However, the participation rate has become so low in some age groups – for example, those under 20 – that the notion of an unemployment rate does not make sense anymore. In fact, the unemployment rate must be discarded in cross-country comparison in favour of the proportion of individuals unemployed. This proportion relates the number of jobless to the entire age group or population, thus making it a more accessible cross-country indicator when the participation rate is low. For example, if the unemployment rate for persons aged under 30 was 20.7% in 1994, this does not mean that one young person in five was unemployed that year; only one in ten was (10.3%), since many were not seeking or did not want a job.

4. Since this paper mainly deals with the State labour market intervention, it focuses on pre-bac leavers, that is those who have left initial education/training without having taken the *baccalauréat général*. The choice of such a breakdown comes from the fact that 95% of *baccalauréat* graduates continue on to tertiary education. The labour market State intervention is indeed very much targeted towards this group of the young population entering the labour market for the first time.

5. Government action in the youth labour market created a vast number of intermediate situations between initial education/training and regular employment, which made every pathway in the labour market unique. All Céreq surveys show that the multiplicity of alternatives to regular employment is such that if one monitors young people month by month when

⁴⁴ This section is based upon material by Werquin (1999).

⁴⁵ The Céreq definition has to do with entering the labour market – or at least trying to do so – rather than just leaving secondary education.

they are first in the labour market, one finds as many possible pathways as there are individuals. One of the characteristics of a youth's transition from school to work is that it is very complex, with up to four subsequent positions in or out of the labour market in one year.

6. An other distinctive pattern of the French situation is that the highest and lowest age groups have to bear the burden of unemployment while those in-between fare much better. Unemployment is therefore an almost unavoidable transit for young people now entering the labour market – to a greater or lesser extent, depending on the credentials they have obtained.

4.7.1.2 STATE INTERVENTION: BETWEEN INITIAL EDUCATION/TRAINING AND REGULAR EMPLOYMENT

7. State intervention in the labour market in France began at the onset of the economic crisis during the 1970s. The first law appeared in 1974 and over the last 25 years, youth employment policy has undergone 4 main stages : First, an employment policy which accommodated macro-economic policy – “strong franc” policy in the second half of the 70s – followed by a policy of direct entry into employment regardless of any other considerations. Towards the middle of the 1980s, the focal points of employment policy shifted to education/training and reduction of labour costs. More recently, this same policy has concentrated on the low-skilled jobs sector. (DARES, 1996) A few general principles of public intervention in France are considered in the following section.

8. Labour market youth programmes are central to the debate on the training-employment relationship because they reveal an absence of a natural link between education/training and employment in France. On the one hand, they are central to the debate because youth programmes in France are almost systematically found between the end of initial education/training and employment. This, incidentally, makes employment-entry mechanisms very complex to describe, since young people are confronted with a multitude of possible situations and most pathways observed alternate between various types of insecure jobs, youth schemes and unemployment. On the other hand, these programmes negate, in a sense, the existence of a relationship between education/training and employment in France, since they show the failure of initial education/training to lead directly to a regular job, if that was ever its role.

9. Youth schemes in France are for the most part permanent and long-standing. The main schemes still in operation today date from the mid-1980s: the *contrat de qualification* or CQ (skill formation contract); the *contrat d'adaptation* or CA (skill adjustment contract); and the *travail d'utilité collective* or TUC (community work) which have since become the *contrat emploi solidarité* or CES. France has had about ten major schemes operating at the same time. All the programmes have been regularly redesigned according to the economic or social needs of the moment or in light of operational experience. Their size has been relatively stable over recent years.

10. The employment-entry difficulties encountered by youths over a 25-year period therefore made it necessary to institutionalise the school-to-work transition. All present schemes reflect, to a greater or lesser extent, two principles: reduction of labour cost and improvement of education/training. Labour cost reduction is generally obtained by tax relief or lump-sum inducements for employers. Improved education/training is taken here in its broadest sense interfacing with the labour market. It involves skill adjustment if the skill possessed is not directly usable, or skill acquisition where either an obsolete skill or no skill at all

is possessed. In some schemes like the CES, however, the education/training element is in fact seldom present.

11. French youth schemes are placed between the end of initial education/training and entry into employment. This period, which has been described by a variety of authors (see Demazière and Verdier, 1994; Whul, 1994), is currently the focus of government action. One may note that public intervention could take place upstream – training to increase the number of teachers or costly education/training courses, etc. – or downstream – on-the-job training for purposes of job retention and strengthening of employer/employee links through acquisition of job-specific skills, etc. In France youth schemes are located in the “border zone” – an area somewhere between the two – probably because of the diagnosis that has been made concerning the problems of first-job entry, i.e. a maladjustment in the transition from education/training to work. Two major ideas have developed which, in addition to the labour cost question, underlie public policy programmes: “work socialisation” –placing young people in a work environment – and “qualification” (communicating the skills necessary to convince an employer).

12. The newly introduced “*emploi jeune*” (Youth Job) cannot be assessed because it is too recent. Nevertheless, one may note that the *emploi jeune* has never been presented as an integration scheme but rather as a subsidised job. This distinction makes a lot of sense in France since some programmes are explicitly designed to allow for skill formation or vocational preparation while others are only State sponsored jobs. In a way, the “*emplois jeunes*” can be described as a follow-up of the CES since they only have to do with the public or non-profit sector and barely contain any effective training. On the other hand, significant differences must be underlined. First of all, the young people entering an “*emploi jeune*” know, from early on, that the contract will last for five years. This probably allows for a better construction of a career plan. It must also be noted that with “*emploi jeune*”, employers may choose the people they hire where it was not possible with TUC-CES. To conclude, the possible drawbacks of the programme are twofold: The programme does not contain any significant training period and there is no strong incentive to leave the programme earlier than five years later. This may lead to the situation where young people are left jobless and without any sense of initiative at the end of the 5-year period.

13. A considerable number of studies have attempted to assess the social and labour market programmes for youth. (Bouder, Cadet and Demazière, 1994; Bonnal, Fougère and Sérandon, 1994; Werquin, 1996 and 1997) These have produced descriptive and more analytical findings as are found in the following paragraphs.

4.7.1.3 YOUTH PROGRAMMES ASSESSMENT

14. Youth integration schemes begin very early on, at all education and training levels below the *baccalauréat*. Their use by cohorts of young people moving forward in the labour market diminishes over time and the number of recurrences in the same scheme rapidly declines. For example, 70% of girls and 55% of boys in the group who left secondary education/training in 1989 went through one of the various schemes in the six years that followed. Although some youngsters even participated in as many as seven programmes there were no significant numbers for participation in more than three. Finally, there was a marked consistency between the level of educational attainment, the presumed quality of the scheme and the rate of job entry.

15. Access to skill-formation schemes (CA, CQ) is indeed conditioned by the selectivity of the labour market. The most employable individuals (diploma holders, persons who have received some specialist training or have been through apprenticeships) are the first served and soon find regular employment thereafter. Those who fail to do so return to unemployment, as is essentially the case for women, or engage in temporary activities (another scheme or national service) in the case of men. A second scheme is frequently added to the learning process among the most readily re-employable where it was found that the rate of transition to employment is successful. Males and females fare equally well employment-wise after one or two schemes though far more women than men become unemployed.

16. The less employable individuals enter lower-performance schemes such as TUC-CES. While giving them a first work experience, such schemes often integrate them on a professional level less often and for shorter periods of time. A good illustration of this well known phenomenon is the pathway that takes females from inactivity (non-labour market) to unemployment (labour market) via a non-commercial type of scheme. Such a method is frequent suggesting a closer relationship to employment after going through a schemes, even if it is supposed to be very poor in terms of vocational or occupational preparation (Sigot and Werquin, 1993).

17. As far as an reliable evaluation of youth programmes is concerned, two findings emerge from what is known to date. First, mechanical effects do not prove the success of youth schemes: Young people who go through such a programme are not officially unemployed during that whole period, so they experience shorter or fewer spells of unemployment. The longest programmes (CES) may thus appear effective in reducing the duration of unemployment but they seldom lead to employment. However, it should not be forgotten that France does not have surveys that would make it possible to observe their longer term effects. Second, and more importantly, the existence of these youth schemes creates or confirms a hierarchy which the education/training system has established. That is, there is a selection process whereby some of the schemes cater to individuals who are already more "employable" than others, making evaluation all the more difficult (Lechene and Magnac, 1995). This selection bias proves is as misleading as it is strong; most young people entering so-called "good" training schemes end up in a job afterwards but nothing can be said about the added value of the scheme itself since those young people were already very employable.

18. From the standpoint of paths to and from one or more schemes, the major inference might well be that effectiveness of a youth programme is contingent upon the decision of whether to participate or not. Is participation in a youth scheme a voluntary act or does it result from a direct constraint imposed by the labour market? In other words, does each individual decide to participate in light of his or her personal situation and the benefit which hopefully will be derived from the scheme, or is it the employers associated with all these programmes who select the entrants?

19. Two different hypotheses exist in this connection. One is that those who go into a scheme have a handicap preventing them from getting a job, and the scheme therefore represents their only chance of ultimately finding employment. Here, the natural basis for evaluating the usual parameters of entry into employment is the group formed by those individuals who have never participated in youth schemes because they have not needed to. However, a significant proportion of these non-participants are still without jobs three and a half years after finishing initial education/training (in December 1993, 17% of all women never having participated in a scheme were unemployed, although 61% had permanent work contracts; the figures for men were 15 and 65% respectively). This reinforces the idea that there is a

selection of individuals who are already employable to take part in these schemes and, conversely, there is exclusion of those who are not sufficiently employable.

20. The other hypothesis is less prevalent but is supported by a number of empirical findings. One of these points to a disturbing similarity in credential level, educational attainment and skill acquisition between those who have been through at least one scheme and have obtained employment immediately afterwards, and those who have found employment without going through a scheme. This would suggest a group of individuals who are highly employable in that they possess specific assets which appeal to employers. Some of them have direct entry into employment. The others need one or sometimes two schemes in order to obtain jobs. Here, the scheme acts as a catalyst and appears effective. In this context the most natural baseline is the group of individuals who have entered employment with or without first going through a scheme. This reduces the problem of programme evaluation to the single criterion of entry into employment. On the other hand, the quantitative approach has to be supplemented by a more qualitative one that considers employment situations (status, contract, duration, pay). Hence, the need to propose a different mode of evaluation (Werquin, 1999).

21. Individuals who have gone through more than two schemes have lower levels of formal credentials and initial skills. Furthermore, their scheme experience is much less productive in terms of access to jobs, confirming the strong selection bias at work on the French labour market regarding access to youth programmes.

22. There remains the question of why those who have not found employment have never taken part in a youth scheme. It could be due to a fear of being stigmatised (personal choice) or inability to gain access to a scheme (rationing by the market). Here it must be said that although France has many youth programmes, they are not all equally accredited by the different actors in the labour market. A plausible intermediate hypothesis would therefore be that young job-seekers willingly accept a market-sector scheme (CQ and CA), but are much more reluctant to enter a non-market scheme like the CES. Be that as it may, France does not provide youth with a homogeneous system of labour market programmes but with an assortment of very different schemes. Consequently, it is necessary to do more than just model a choice to take part or not in a youth programme. Because they are all different, the schemes are diversely rated by young people and by employers. Schemes differ in terms of effectiveness and also in the manner in which they are evaluated. This individuality is probably at the root of certain misunderstandings about the youth schemes.

23. In particular, there is some confusion as to what it is plausible to assume concerning the initial characteristics (credential, skill learned, motivation, etc.) of young people entering a scheme. Thus, evaluation or even just analysis presupposes a clear identification of each scheme and of its objective(s). The lack of consensus, in France, about the real efficiency of all those schemes probably mainly comes from the fact that one never knows which benchmark is being used:

- giving a job to young people;
- giving a permanent job;
- going around unemployment rather;
- having a good wage and/or career perspectives;
- avoiding poverty

24. Going a bit further in this evaluation process Balsan, Hanchane and Werquin (1994) report two findings emerging from the use of young persons' pay and their transit through youth employment programme. The first is that young people who have gone through programmes receive lower starting wages immediately afterwards than those who have not. This may be interpreted as an indication that youth schemes may be a barrier to entry into regular jobs. The second finding is that the wage distribution in immediate post-scheme employment reproduces the remuneration distribution in the scheme. In other words, the young people who receive the biggest allowances under a scheme receive the highest pay in first employment. Those findings together imply the existence of barriers to youth scheme entry, as well as suggesting that participation in a scheme causes young people to scale down their wage expectations.

25. Some youth schemes stigmatise participants, who then have difficulty integrating into the regular jobs sector. Others facilitate integration, while yet others lower wage expectations. Youth schemes are central to the process of integration and to the process of non-integration in that their great variety signifies differentiated treatment of problems. They also create differences: a hierarchy that puts youth on different paths, including the pathway to failure. Yet, this hierarchy simply reproduces the one which initial education/training and social conditions created beforehand and which sufficed for selection for employment when the job shortage was not so severe as it is now.

26. It is not infrequent for certain authors, starting from the unavoidable premise of a general shortage of jobs, to equate youth schemes with "redistribution of poverty" or "equalisation of opportunities for potential 'outcasts'". It is clear that if public policy action is targeted at the young people most exposed to the risk of non-integration, problems might result for those who are at the level immediately above, but ineligible for such assistance. This does not apply in all cases, for several reasons:

- programmes are constantly being redesigned to match youth needs as closely as possible. For example, the skill formation schemes (CQ) used to be reserved for young persons who were very disadvantaged with respect to their initial level of education/training, so competition was very severe for youth of the level above (BTS, DUT essentially - i.e. two years after bac). They have now been given access to the *contrat de qualification*;
- the wide range of schemes (and these are likely to develop with the decentralisation of education/training funds) serves to meet a great number of needs;
- there have even been major extensions. For example, in becoming *contrats emploi solidarité*, the *travaux d'utilité collective* have been extended to the long-term unemployed, even over the age of 25.

27. All together, evaluation of labour market programmes for youths is complex and difficult because there is no consensus on the effects they have. It is very clear that conclusions are radically different according to the point of view adopted. To sum up, youth programmes help young people stay out of unemployment and ultimately to find jobs, but not to find good or stable jobs. Their position on the pathways to employment relates logically to occupational mobility and the acquisition of job experience. These subjects will be discussed in the section that follows.

4.7.1.4 THE DETERMINANT OF LABOUR MARKET OUTCOMES

28. One of the main issues being addressed in the study of school-to-work transition is that of the determinants of entry into employment. In a necessarily longitudinal context, Bal-

san, Hanchane and Werquin (1996, 1998 *a* and *b*) find that the outset variables, especially the education level/credential and acquired skill, cannot be displaced by experience variables in explaining job-holding, even up to six years after exit from initial education/training. The use of panel data -- which really track youth over time -- and control of the non-observed heterogeneity among individuals -- which is not described but which can be controlled on the hypothesis that an individual has the same non-observed characteristics at each questioning -- leads to more refined findings on the opposition between outset conditions and labour market experience. The latter apparently does not overcome the former. Thus, the youth employment crisis and youth unemployment cannot be resolved solely by a youth's adjustment to the labour market; there is also the knowledge acquired in initial education/training that has to be considered. Not too surprisingly, therefore, the solution to the school-to-work transition problems faced within France would seem to lie in a compromise between initial education/training and preparation for employment.

29. Given the marked deterioration in the youth labour market, many studies are concentrating on the paths to exclusion, work-related or even social. The idea fairly often put forth is to measure the extent to which an individual characteristic is associated with, and therefore predictive of, exclusion from the labour market. The reverse point of view is taken here. What is needed is to identify as accurately as possible are the characteristics associated with successful integration into the labour market which will help towards an understanding of the whole integration process and thus assist policymaking. A few original good practices are now being presented. They do not grasp all aspects of the French situation concerning plausible solutions but they may help, after this state of the art on the transition from school to working life, illustrate what is currently being done locally.

4.7.2 On-Going Experiences and Good Practice

4.7.2.1 FINANCIAL INCENTIVES

30. As explained earlier, almost all youth programmes combine financial support to the employer and wage to the individual. Labour cost reduction for the employer is obtained by tax relief or lump-sum inducements. The amount of money young people can receive under the different schemes can be gathered from the table on the next page:

4.7.2.2 QUALIFICATION AND ADVISING

31. Assisting young people in selling themselves to potential employers is a vital factor. Few people are recruited to the kind of job that corresponds to the special field for which they were trained. Jobs are so scarce that accepting a post that does not make use of one's skills is an option that should not necessarily be dismissed. On the other hand, young people must be persuaded to waste no time in making their competencies known. Above all, those who have had technical or vocational training must also know how to make good use of what they have learned.

32. One of the main difficulties encountered by young people on their arrival in the labour market is how to communicate what they have achieved. This is a vital factor for people who have few qualification to offer. It is valuable to the people that could be classified as 'apparently problem-free'.

Wages in Youth Schemes

Most youth schemes appear in the market sector (Apprenticeship, CQ, CA and CO - Orientation Contract). One main programme belongs to the non-market sector, TUC, which became CES in 1990. All these schemes correspond to lower than minimum wage according to the following table:

Minimum Wages in Youth Schemes					
	Ap- prent.	CQ	CA	CO	TUC-CES
Wage	15% to 75% of the SMIC*	17% to 75% of the SMIC*	80% of the SMIC	30% to 65% of the SMIC	Hourly SMIC
Conditions	Age and seniority in the contract	Age and seniority in the contract	Does not vary	Age	Does not vary

* see tables below for details

In some instances, regulations are complex. Three tables help to understand the situation for apprenticeship and CQ.

Minimum Wages in Apprenticeship (% of SMIC) from 1988 to 1993 ¹				
Current duration in the job	less than 18	18-20	21-22	23-28
First Semester	15	25	35	45
Second Semester	25	35	45	55
Third Semester	35	45	55	65
Fourth Semester	45	55	65	75
Fifth and Sixth Semester	60	70	75	75

¹ >From 1993, the principles remain the same but bounds are moved up (the range has become 25 to 78%)

Minimum Wages in CQ from 1984 onward (% of SMIC)			
Current duration in the job	16-17	18	19-25
First Semester	17	27	60
Second Semester	25	35	65
Third Semester	35	45	70
Fourth Semester	45	55	75

33. Apart from the question of the mismatch between education/training and employment, where young people may not have received the skills and expertise from which s/he might have benefited, the types of education/training whose primary purpose is to impart a particular occupational skill have to an extent depreciated in value. In general, vocational preparation is rarely a first choice for a young person, and for this reason is widely under-valued.

34. The distinction, often made, between general education and technical/vocational one leads to a value judgement that is detrimental to a young person who has opted for the former. S/he lacks confidence in his own worth and finds it hard to convey her/his merits, to 'sell her/him-self'. S/he will also make a negative association between vocational guidance and her/his current situation and with educational selection, hence, her/his exclusion from the educational system.

35. On the other hand, those in general education enjoy greater recognition. Even so, many people leave school before completing their secondary education and without any preparation for work or a vocational qualification, which in the end puts them at a particular disadvantage at the time of entering the working world unless they can find a way of optimising and adding to the knowledge they have already acquired.

36. Counselling and guidance services have envisaged various projects to help young people make good use of their experience, or at least their knowledge. Allowance is obviously made for the level already obtained and the individual's potential and realistic prospects of upward mobility.

Audits and Portfolios of Competencies

37. At an early stage, one of the initiatives that may, among other things, help young people become aware of their own value and potential could be the skills audit and portfolio of competencies as developed in the Marseilles region (Chiousse et Werquin, 1998 from CIBC, 1996). This at least helps 'review' what has been achieved and what one might hope to do with that achievement.

38. The personal and vocational audit is a dynamic, targeted and global measure. Its form and content are dictated by the goal pursued, i.e. the social and vocational integration of an individual, enabling him or her to satisfy personal aspirations and make a contribution to economic, cultural and social development.

39. In an audit as much information as possible about oneself is gathered and then a look is taken at the conclusions, thinking about what resources should be used to construct and implement one's plans for social and vocational integration.

40. The phases of the audit are arranged to fit in with each beneficiary's special needs.

41. In the investigatory phase, the aim is to 'discern and identify the individual's experience as well as intellectual and occupational potential. Then her/his personal and vocational competence is evaluated in terms of knowledge, expertise and attitudes'. In so doing s/he can 'build a set of relevant factors that may make a vocational and personal project more feasible and organise priorities of actions and strategies for the realisation of the goals s/he has set her/him-self in the short and medium term'.

42. The portfolio of competencies is a tool that sets a continuing process in motion. The young person is encouraged to continue with the analysis and to collect and keep evidence

of her/his experience. This in turn, causes her/him to take a different view of the route s/he is taking and to set greater store by it.

“Parrainage”

43. A godfather or patronage type of arrangement does exist in some regions of France. For example, there is a “*parrainage*” arrangement in Marseilles which is the outcome of a partnership between CIRRESE – *Caisse interprofessionnelle de retraite par répartition du Sud est* – and the local mission for the 15th and 16th district of Marseilles, following the creation of the ‘*Génération solidarités*’ association in 1993 (Chiousse et Werquin, 1998 from CIBC, 1996).

44. Retired people from every occupational sector are willing to act, without being paid, as mentors to young unemployed people and other youngsters in difficulty. The idea is to mobilise the older person's experience of life and human relations and place it at the service of young people at risk of marginalisation.

45. In no way does this voluntary work imply amateurism. Eighteen retired people have already “worked” on the northern districts of Marseilles – supposedly the most remote and deprived areas of the all city – and have acted as mentors to 147 youngsters.

46. They can use facilities on premises with office equipment, computers, *Minitel* – electronic access to all sort of on-line services – etc., and undergo training in the ‘skilled trade’ of mentoring, so that they can find the best response to the needs of the youngsters whom they decide to take on, with the help of the ‘local mission’. The training is in the form of five modules, in half-day sessions, covering youth integration schemes, problems found in disadvantaged districts, young people's difficulties and exclusion and what they need to do monitor their ‘godchild’. The work team tries to match the vocational route taken by a young person and his/her aspirations with the mentor's life experience.

47. Mentoring lasts an average of three to six months, with the older and younger person meeting once or twice a week.

48. The mentor's main contribution is to instil confidence in the young person. This is done by giving advice and moral support, for example, technical help with producing a CV or a letter of application. Another task is to help the person about to enter the labour market present himself better, for instance, through role-playing and simulating job interviews so that the youngster creates a good impression. Here again, the mentor needs, to the extent possible, to build up a set of references for the youngster so that s/he will be thoroughly familiar with the working world and how a company operates, know more about the nature of the various departments in a company, how to look at a pay slip or a contract of employment, etc. S/he also does her/his best to use her/his own network of relationships on behalf of the young person.

49. In certain more challenging cases, mentors attend meetings of local technical committees to brief them on the young person's progress. They regularly fill in forms to inform the ‘local mission’ of the steps being taken and changes in the young person's attitude.

50. Apart from creating a social link that will enable different generations to understand each other and provide mutual support, the results appear encouraging. Retired persons gain a sense of usefulness and young persons acquire greater confidence in themselves, apparently finding it easier to obtain work. This measure has now become part of the “Youth-

start" programme and may be transferred to certain other countries in the European Union, Ireland and Finland in particular.

51. In conclusion, one may recall, however, that such experiences are very small in size and that real assessment is very much qualitative based on individual self reporting.

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5 Results of the Workshops

5.1 Eric Fries Guggenheim, Rapporteur Workshop 1: “Structural Elements of the VET and the Employment Systems which Support Successful Transition from Training into Employment – Experiences from Denmark and Germany”

We had two interesting presentations in Workshop # 1, the first one by Jørgen Mørk, who is a Danish consultant, and the second one by Mr. Schomburg, who is working in a training enterprise of the city of Offenbach. From the Danish experiment we learned that Denmark has always been trying to keep a balance between demand and supply of qualification starting from the basis, starting from the local point of view, in the local areas where training institutions are operating. There is, for example, a workforce of about 20,000 people employed by 10 to 30 enterprises. The enterprises are represented in the local council of the training institution where young apprentices are undergoing their general education. Those apprentices are working in enterprises for several periods interrupted by school periods. The programme of the school depends a lot on what the tripartite council - which is composed of the entrepreneur, of the people from the local authorities, and of the people from the unions - decides on the programme of the school and depends on what it decides regarding what will be taught in the area. So, what is being taught in this school and what kind of apprenticeship you can do in this area is always decided on a local level. This allows for a quite interesting balance between what enterprises need and what local schools are offering. Of course, the question is: What about those qualifications that are useful at the national level and that are not really demanded at the local level? Therefore, you have the national level intervening. The tripartite co-operation is working at a national level too, and at a national level training in those occupations are organised which are not really indispensable on the local level but which could be important for the whole country. It is at the national level too, that exams are organised and that the key qualifications useful for the whole country in the different branches are decided upon and organised. This is the experiment of Denmark to organise a special kind of balance between demand and supply starting from the bottom but organising the education in a way that no gap would exist and no important occupations or education are missing. We have also heard of a regional level because it is in fact three stages, but the regional level - as I understood - is just there to help the local and the national level to keep a balance. We have heard much more about the Danish system and during the discussion that we had afterwards we learned a lot about the system of job rotation, for example, and I think that the round table discussion has been very, very rich.

Just a few comments on job rotation and its importance. The question was: What do we have to do to get places for uneducated young people in the enterprises? One of the approaches developed in Denmark is the following: Young people of very low educated level can be trained and can get quite important certifications by entering an enterprise where the people from the top level of the enterprise have got the possibility to be trained themselves outside the enterprise. While those people of the upper level of the enterprise are outside the enterprise, all the people of the bottom scales are climbing one scale up and as those people are climbing one scale up in the enterprise you can let the unqualified young people who entered

the enterprise take on the unqualified posts so that they get a first experience of the enterprise and may get a training.

We then had the presentation of what has been organised in Offenbach. In Offenbach it is the GOAB GmbH that has been presented by Mr Schomburg. This is an enterprise, a training and education enterprise which is working in the city trying to get the low educated young people into a normal training way through what they here in Germany call "außerbetriebliche Ausbildung" (external training). These enterprises give the opportunity to low qualified young people to do a job as if they were in an enterprise, producing goods, and these goods are afterwards sold on the market. Of course, we have some competition problems with the normal enterprises complaining a lot this kind of unfair competition as they call it because these Ausbildungsbetriebe (training enterprises) are being subsidised by the state. What is important, however, is to give the opportunity to low skilled young people to enter a normal way of training while producing so as to acquire the habits of working in an enterprise although in this case it is a very special enterprise which looks a bit like what we in Denmark call production schools. The result of that way of educating people seems to be quite interesting because at the end of the process - as I understood it - 70% of the people get their final certificate, 15 or 16% of the people are working in the branch they have been trained for, 56% are working even though not in their branch but still working and we just lose the trace of 10% of the people. People in our group said that this is quite interesting because this is as good a result as in the field of training in a regular inplant training situation. So, I think that it was quite an interesting example presented by this enterprise in Offenbach and I was very much impressed by this experience which has, I think, huge social consequences. To put at work young low qualified people to help them to get qualifications that mean to put them in a normal way of life, to discard a lot of social problems, allows for a society to be more equal and to be more inclusive. So, I was very impressed by the experience. I asked for some information about these kind of experiences. Is it very often that in Germany at a local level such as a city we can have such an experience? I heard that it was maybe not very often but that it was developing. I think that's good for our future. I'll stop here on what's been said in our workshop. I cannot give you all the results of the discussions because the most important was maybe the discussion itself but its too hard to summarise.

Additional remarks - Mr Schlegel:

I was in that working group as well and let me just add two points. We dealt with a wide range of topics and therefore, Eric just summarised a couple of points but there are two or three other points which I would like to highlight. Eric talked about the significance of the local level when it comes to the planning and implementation of measures for the integration of young people into the educational system, particularly following the example of Denmark and Offenbach. You know, it has really turned out to be an important fact that practice-oriented training is crucial. We dealt with a lot of other points which I would just like to mention briefly. In Germany, for instance, we have a heated debate on the controversial issue of modularization and partial qualification as a possibility of flexibilization in the field of vocational training in order to respond more flexibly and more swiftly to changes in the employment market. But as I said, from a political point of view this is a highly controversial issue in Germany.

The second subject that we addressed was the fact that - and this applies to Germany in the first place - this comprehensive immediate programme of the federal government provides a great deal of opportunities for the young people but a reasonable co-ordination on a local level is still missing. This has been stressed by the representatives from Offenbach. If we want to seize the opportunities that exist today - and I think we have never had such good

opportunities for the youth - if we want to use them, then there should be some kind of immediate monitoring on a local level and we need a proper co-ordination on all levels. This is an important point which we all agreed on.

As far as the level of education is concerned, we can solve some of the problems if we improve qualifications. We may be able to help people, we may be able to improve their qualifications but there are some core economic conditions that have to be taken into consideration as well, and this is something which we haven't considered yet. That's the pessimistic remark that I would like to make. So, we don't just have to work on our levels but we have to find a common approach on a European level not just on a national level.

5.2 Birgit Voigt, Rapporteur Workshop 2: “Measures and Schemes for Specific Target Groups – Experiences from The Netherlands and Germany”

In Working Group 2, eight representatives from three countries - the Netherlands, Slovenia, and Germany - dealt with issues in the field of the integration into the labour market of groups with specific problems.

After a short introduction it became clear that all three countries were confronted with similar problems. The differences between these problems were mainly differences in terms of intensity and of weighting, that is the same or similar problems occurred at different times with different emphasis. Thus, it was very important for us to exchange views and to be able to take back home new ideas.

In the beginning of our discussion we had two introductory presentations by Hans Rutjes from the Netherlands and by Rolf Schmidt from Germany.

Examples of Projects in the Netherlands

- The Project on Vocational Qualification Training

This project presented by Hans Rutjes is a project comprising 22 regional pilot projects for ethnic minorities and women with a relatively low level of education. It is characterised by a great flexibility in training these people. It was attempted to use existing structures and support instruments. No attempts were made - as it is often the case - to create additional components and support measures.

- The Centre for Work and Income (CWI)

The organisational structure of the CWI can be seen as a directive and innovative approach to co-operation of all those responsible for the integration of specific target groups. On a regional level, the CWI comprises all relevant public authorities such as for example the Employment Office and the Social Welfare Office. The staff remains under the control of their original agency. This bears considerable advantages for those involved and for the co-ordination of measures to be implemented because each single case can be dealt with on the spot and can be assigned directly to the corresponding authority. In doing so, those affected receive individual but comprehensive guidance and immediate support.

An Example of a Project in Germany

- The Project “Triade” in Hamburg

Socially and educationally disadvantaged young people in Germany often not only have problems with the transition from school into vocational training but also at the so-called second transition, the transition from vocational training into employment. Therefore, in our working group, the successfully tested concept of the pilot project “Triade” by a provider of support for disadvantaged people in Hamburg was presented because it is viewed as decisive for the problematic second transition of externally trained people. The objective of this project was to prepare the transition from vocational training into employment as early as possible and to offer young people different and individual opportunities for integration.

This project tested different aspects for improving key qualifications of the trainees and their employability as well as flexible transition pathways. In particular, it concluded the following strategies:

- Organisation of flexible and varying ways for the transition into the employment system - within the framework of a co-operation association
- Elaboration of an individual skill profile and the setting up of individual vocational perspectives
- Establishing fields of working and learning closely related with the training in the company - diversification of occupational areas through well-aimed application of practical working periods (commissions given to the trainees, specialised projects and social projects such as foreign exchange within the EU)

Within the framework of a co-operation association “Educational Workshop Triade”, three pathways were established for the transition into employment which are applicable already during vocational training:

1. Working in an external company as far as possible in the field of occupation trained for
2. Working in a co-operation company (independent, industrial enterprise) with a co-operation agreement within the framework of the association
3. Measures for gaining first working experiences with the provider of job-creation schemes that is also a member of the co-operation association

With the support of the staff from the training institutions, the transition into one of the three mentioned alternatives was prepared - pathway no.1, however, was top priority - and it led to rates of integration into employment of more than 80% (2 years after completion of a training). In those cases where young people were not successful in entering one of the first two schemes at the first attempt they had at least the opportunity to fresh up, maintain, or extend their competencies and skills within the framework of job-creation schemes, and to gain working experience.

Results of the Discussion in our Working Group

In the course of the discussion in our working group it became clear that there are several basic questions which have to be answered by each country trying to successfully integrate groups with specific problems into the labour market.

First of all it is the **question of the target group** itself. How can we define this group? Who is supposed to be part of our target group and what are their specific problems? Are we speaking about ethnic minorities? Are we speaking about disabled people? Are we speaking about young people without a school leaving certificate?

As there are very specific conditions in each country which cannot be easily compared, we tried to find a common denominator. We said that the important target groups in the labour market are those that are not able to succeed and that are not able to find their way to the job market without additional support.

It is up to each country or each local authority to make further differentiations.

On the other hand, we need to answer **the question whether we actually need specific measures for these target groups**.

Our working group agreed on the general necessity of specific measures. The result was a number of additional questions. What extent should these measures have? What should the duration of these measures be? For how long do we have to support these target groups? In which order should the measures be applied? Which order makes sense?

We need to remind ourselves that measures for specific target groups have their limits. They are supposed to give the necessary individual support to the target group but in general, they cannot solve long-term problems in the labour market. We should, therefore, first of all try to use the regular measures to its full potential in order to integrate these target groups. A corresponding checklist or ranking regulating the procedure could look like this:

1. Can we integrate this target group with regular measures?
2. Can we make use of regular measures and then add some additional measures (e.g. primary measures)?
3. Is it necessary to develop specific measures tailored to this target group which are later on joined to the regular system?

It is necessary in this context to not only conduct crisis management but also crisis prevention in order to prevent the institutions from having to jump in for one another and therefore just shifting the problem from one institution to the next. We need to respond to the problems and their causes (and not their symptoms) at a very early stage.

Another result from our working group was that we think it would make sense to limit the number of measures instead of developing a large variety of measures at any cost which then makes it difficult for all those involved to not get lost.

Limiting measures for groups with specific problems gives us the opportunity to control the situation, to have transparency, and to evaluate the measures. Furthermore, transparency would make the programmes less expensive because obviously each new programme requires co-ordination and surveillance.

In our opinion, it is important to have a greater harmonisation of measures. We heard the German point of view for example where programmes at the various levels are not always compatible. In some cases, measures even compete with one another and - to put it just a bit provocatively - fight over the same target group. Transparency in the field of support meas-

ures is not only important for those affected, i.e. the young people and their parents who would otherwise be overstrained but also for the institutions and the decision-makers themselves. Regional networking can only succeed if responsibilities are clearly defined and known to all. The Dutch model presented in our working group is very much in favour of these network structures. These structures at the lowest level have proven their worth in the Netherlands. Certain difficulties still exist at the management level because those making the decisions come from different bodies and tend to stick to their old ways of thinking.

It would also make sense to have certain funding pools for this networking process to make sure that there is one large fund in order to be able to decide faster and more easily on the spot which target group is given what sort of support.

Last but not least, the following question: **How do we reach these target groups? Do we know what these people actually want and need?** Do they receive in these programmes the support they actually need?

As Mr Rutjes told us, there was a programme in the Netherlands established for women. Those responsible thought that child care could become a great problem. In the course of the programme, however, it turned out that this group of people had found its own solutions based on their cultural tradition of child care. Their problems were of a completely different nature, namely: How do I secure my livelihood? How am I going to be able to care for my family?

A very personal approach, a personal conversation with those affected seems to be what is called for.

The results from Working Group 2 can be briefly summarised as follows:

- All countries have similar problems; differences exist only with regard to the current severeness of the problems and the point of time at which they occur. All the more necessary it is to have an exchange of views by means of conferences, studies etc.
- However, successful models cannot simply be transferred from one country to the other. National requirements and conditions have to be taken into account.
- Current problems can only be solved through the co-ordination of labour market, social, economic and structural policy.
- We need to focus on testing and analysing decisive new employment models (repartition of labour, part-time models)
- Measures for specific target groups constitute a seismograph for the quality of the system of regulations. If the regular system excludes more and more young people, increasing additional measures are called for. It is also a priority to make the system of regulations more efficient.
- The focus of our efforts has to be on the target groups themselves, their needs, wishes, competencies, and problems. We are responsible for analysing who needs what kind of help, for how long, and from whom as well as what types of help are useless and rather hampering. We should be reminded of this by the following story:

The Blind Crutchwalkers

A story by Idries Shah

One day, a man hurt his leg. From now on, he had to walk with crutches. The crutches were very helpful for walking as well as for other things. He taught his family to use crutches and they became part of their everyday life. Everyone wanted to have crutches. Some were carved from ivory, some had golden ornaments. Schools were established to teach people how to use crutches. Universities employed new professors to do research on the higher aspects of this science.

A few, a very few people finally began walking without crutches. This was generally viewed as scandalous and absurd. And anyhow, there were so many ways of using crutches. But some people stuck to their point of view; they were punished. They tried to explain to the rest that one should only use crutches when necessary. And that there were many cases where nowadays crutches were used but which could be dealt with much better in a different way. Hardly anybody listened to them. Some of those who could walk without crutches began to behave differently than the established society in order to cope with the prejudice against them. They remained a minority.

After many generations having used crutches, it was found out that there were in fact only few people who could walk without them which seemed to "prove" their necessity. "There," they said, "there is a man. Let him walk without crutches. You see? He can't." "But we can walk without crutches," those who walked normally, replied. "That's wrong; you only think you do," said the cripples because at this point of time they had gone blind - because they didn't want to see.

5.3 Kate Pursell, Rapporteur Workshop 3 "Job Creation, Entrepreneurship, Local Employment Initiatives etc. – Experiences from Austria, France, Spain and Great Britain"

We were the largest workshop, so we spent a great deal of time more than the other groups perhaps listening and formulating questions rather than finding solutions. We had four very interesting presentations, we had one from Peter Elias, initially, talking about the evolutionary processes of macro-level youth employment schemes in the UK from which he argued that you could learn rather more about what not to do than rather what to do. We then had Patrick Werquin talking about the 'emploi jeune' scheme which is basically a public sector scheme in France of job creation which provides guaranteed fixed employment for five years in new jobs that had not been available before. We then went on to Lorenzo Cachon from Spain who spoke about workshop schools which is an artisanal schools training scheme for example in the heritage sector, in the conservation sector, training young people to carry out restoration work which enhances the historic heritage of a community. And finally we had Ferdinand Lechner talking about Start Up which is a non-profit making job transfer scheme fixing up young unemployed people in employment with organisations.

So, we covered the full range from the sort of UK New Labour macro policy through to Spain where there aren't any national schemes but there are a growing number of initiatives being developed at various levels, regionally, nationally, and in these communities. And we cov-

ered the full range of different kinds of intervention, too. We spoke about guidance and mentoring, we spoke about subsidies, we spoke about enterprise schemes which was one of the areas we were particularly concerned to look at. We looked at training and finally we looked at this targeted job brokering scheme. We thought about the key concerns, and the key concerns we identified were really questions rather than solutions. There was the question of who pays and we concluded that really it depends. In some cases, the European Commission might be expected to pick up the bill to subsidise tried and tested schemes in countries. Sometimes, it's more appropriate that there should be a diversity of funding, maybe partial funding from the state, maybe simply initial funding from the state, maybe partnership with employers. The problem with employers is that they will always select the groups that they wish to provide opportunities for and it's always going to be a residual group left who are going to be the problem, the problem who really pools the greatest difficulty in integration to the labour market.

The quality of jobs we thought is really something that often isn't looked at very closely and is absolutely crucial. These jobs that are created have to be seen as worthwhile by the individual and by employers as well as by the people who are running the schemes and in some countries and in some cases in the past, in the UK for example, that hasn't been the case. The job creation schemes have been seen as the sort of unemployable people who are being placed in contexts where they are unlikely to be very productive or very effective. So, there is a great stigma attached to them and some of the best schemes that we heard about today were schemes where that stigmatisation is being removed or has been removed. In particular the Spanish scheme we thought indicated how craft skill could be seen as being something that was seen as a great deal more desirable, something young people might want to acquire rather than simply a scheme where they are going to be paid something and taken off the unemployment register.

Targeting - who are these schemes for? Should we be thinking about schemes covering all unemployment? Unlike Group 2, although we appreciated that they said that they don't want a jungle of incomprehensible schemes, nonetheless, we thought it's very important to have a diverse approach to the particular contexts within which schemes are being introduced. European countries are very different in terms of their political and economic environments and in terms of the social welfare schemes that they have. A scheme which might work in one country may not be an effective thing to do in another. A scheme that works in one community, or one region, or one sector may not be the ideal scheme for others. There are very great differences in the skills required in the opportunities available.

The key factors that seemed to us to be associated with success were schemes that did take account of the local and regional contexts and schemes where there was local engagement when even the New Deal is locally implemented, a scheme that is geared towards local delivery. It's also geared towards the other thing that we thought seemed to be associated with high rates of success, which was schemes where there was an individual approach, where young people were actually working in partnership with someone, where they had a mentor, where they had a supervisor, where there was a definite continuing interest in their development not simply a placement and abandonment which has been the case in the past.

Time is a difficult problem. The French scheme guarantees placements for five years. Some of us thought five years was rather a long time, perhaps not only for employers but also for young people to be in jobs where there wasn't a guaranteed ability to develop, to go on, to move towards something perhaps more permanent. And that raises the question of what is it that these schemes are doing. Are they providing skills? Some of them are, and training. Or are they simply providing experience of employment? Often of course, that is a very impor-

tant skill to have. In the UK the whole notion of employability, the ability to be seen to have had the discipline to work continuously, to perform adequately, even at a very low level, is regarded by employers as a key attribute and long-term unemployment has a very negative effect on the ability to re-enter the labour market as we see in all the European countries.

Finally, we thought that evaluation is absolutely crucial and we need to learn from the successes and failures of different schemes. We need also to see where schemes can be transferred from perhaps one sector to another, what lessons we can learn from that, how effective are they, how far are they characterised by dead weight or displacement or substitution? What are they doing? Are they really doing something that hasn't been done before? But the most important thing of all perhaps is the absolute crucial importance of seeing what comes next because it did seem on some schemes that we are simply transferring the second transition, postponing the problems that will then go on and be a problem, the third transition, when five years later, 18 months later these young people have some experience of employment but perhaps don't yet have an obvious route to progress into the labour market in main stream.

So, others in the group may have derived different things from what went on this morning. It was a very stimulating exchange, a very broad ranging discussion.

6 Appendices

6.1 Conference Programme

DAY 1, 28.06.99

13.00	Informal welcome – coffee and snacks
14.00 – 14.30	Official welcome <i>Gerhard Grandke</i> <i>Lord Mayor of Offenbach</i> <i>Wolfgang Schlegel</i> <i>Director of INBAS GmbH</i>
14.30 – 15.30	Key speeches <i>Frederique Rychener</i> <i>European Commission, DG V:</i> <i>"From Amsterdam to Cologne – the European Union's Em-</i> <i>ployment Policy for Young People"</i> <i>Jürgen Thiel</i> <i>Bundesanstalt für Arbeit:</i> <i>"The Immediate Programme of the German Government to</i> <i>Combat Youth Unemployment – First Experiences and Re-</i> <i>sults"</i>
15.30 – 16.00	Coffee break
16.00 – 18.00	<i>Annie Boudier (CEREQ) and Patrick Werqun (OECD):</i> <i>Presentation and Discussion of Synthesis Report based</i> <i>upon the Experiences in 7 Member States (Austria, Den-</i> <i>mark, France, Germany, The Netherlands, Spain, Great Brit-</i> <i>ain)</i>
18.30 – 20.00	Dinner
20.30	A guided City Tour with the Frankfurt "Ebbelwei- Express"

DAY 2, 29.06.99

09.00 – 10.30	3 parallel workshops: <ul style="list-style-type: none">• W1: <i>"Structural Elements of the VET and the Employment Systems which Support Successful Transition from Training into Employment" (Experiences from Denmark and Germany)</i>• W2: <i>"Measures and Schemes for Specific Target Groups" (Experiences from The Netherlands and Germany)</i>• W3: <i>"Job Creation, Entrepreneurship, Local Employment Initiatives etc." (Experiences from Austria, France, Spain and Great Britain)</i>
10.30 – 11.00	Coffee break
11.00 – 12.30	Workshops to be continued
12.30 – 14.00	Lunch break
14.00 – 15.00	Presentation and discussion of workshops results
15.00 – 15.30	Coffee break
15.30 – 17.00	Panel discussion with representatives of the social partners, CEDEFOP, German Federal Institute for Vocational Training (BIBB) and the German Public Employment Service
17.00	Closure of the Conference

6.2 Participants

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<p>Consejo de la Juventud de España C/Montera, 24-6^a 28013 Madrid Spain Tel: ++34-91-7010451 Fax: ++34-91-7010440</p>	Arrizabalaga	Felix
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<p>National Employment Service of Slovenia Glinska ulica 12 1000 Ljubljana Slovenia Tel.: ++386-61-302 751 Fax: ++386-61-311659 E-mail: barbara.gregoric@ess.gov.si</p>	Brezavscek	Barbara Gregoric
<p>Rue Menuisier 27 1200 Brussels Belgium Tel.: ++32-2-772 07 48</p>	Bucci	Mario
<p>Universidad Computense Departamento de Sociología I Facultad de CC.PP Campus de Somosaguas 28223 Madrid Spain Tel.: ++34-91-394 28 99 Fax: ++34-91-394 27 67 E-mail: lcachon@cps.ucm.es</p>	Cachón	Lorenzo
<p>Institut für Arbeitsmarkt- und Berufsforschung (IAB) Regensburger Straße 104 90327 Nürnberg Germany Tel.: ++49-911-1790</p>	Dietrich	Hans
<p>INBAS GmbH Herrnstraße 53 63065 Offenbach am Main Germany Tel.: ++49-69-272 24 0 Fax: ++49-69-272 24 30 E-mail inbas@inbas.com</p>	Djafari	Nader

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Inspector de Trabajo y Seguridad Social C/Infanta M ^a Teresa, 6-3 ^o -O 28016 Madrid Spain Tel.: ++34-91-4576970 Fax: ++34-91-5548259	Dominguez	Aurora
Bundesministerium für Arbeit und Sozialordnung (BMA) Rochusstraße 1 53123 Bonn Germany Tel.: ++49-228-572-0 Fax: ++49-228-572-1042	Duve	Herr
INBAS GmbH Herrnstraße 53 63065 Offenbach am Main Germany Tel.: ++49-69-272 24 0 Fax: ++49-69-272 24 30 E-mail inbas@inbas.com	Eichenauer	Erna
Institute for Employment Research - University of Warwick Coventry CV4 7AL UK Tel.: ++44-1203-52 32 86 Fax: ++44-1203-52 42 41 E-mail: p.elias@warwick.ac.uk	Elias	Peter
Arbeitsamt Bad Oldesloe Postfach 1447 23834 Bad Oldesloe Germany Tel.: ++49-4531-167-200 Fax: ++49-4531-167-202	Faust	Klaus
Paritätischer Gesamtverband e.V. Heinrich-Hoffmann-Str. 3 60528 Frankfurt am Main Germany Tel.: ++49-69-6706-0 Fax: ++49-69-6706-204	Fialka	Peter
CEDEFOP POBox 22427 Finikas 55102 Thessaloniki Greece Tel.: ++30-31-490111 Fax: ++30-31-490102 E-mail: efg@mail.cedefop.gr	Fries Guggenheim	Eric

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<p>Thüringer Ministerium für Soziales und Gesundheit Werner-Seelenbinder-Straße 6 99012 Erfurt Germany Tel.: ++49-361-3798210 Fax: ++49-361-3798820</p>	Fuchs	Gerd
<p>Dipl.-Dolmetscherin Großherzog-Friedrich-Straße 131 66121 Saarbrücken Germany Tel.: ++49-681-68 52 341 Fax: ++49-681-68 52 342 E-mail: claire.girard@gmx.de</p>	Girard	Claire
<p>LA Rheinland-Pfalz - Saarland Postfach 101844 66018 Saarbrücken Germany Tel.: ++49-681-849-441 Fax: ++49-681-849-486</p>	Goecke	Jürgen
<p>Stadt Offenbach am Main Rathaus Berliner Straße 100 63065 Offenbach am Main Germany Tel.: ++49-69-80651</p>	Grandke	Gerhard
<p>Bundesanstalt für Arbeit Regensburger Straße 104 90478 Nürnberg Germany Tel.: ++49- 911-1790</p>	Gregor	Christian
<p>Dipl.-Dolmetscherin Untere Neckarstraße 17 69117 Heidelberg Germany Tel.: ++49-6221-23469 Fax: ++49-6221-603440</p>	Haas	Dorothee
<p>Dipl.-Dolmetscherin Blumenstraße 2 67655 Kaiserslautern Germany Tel.: ++49-631-360 86 99 E-mail: svanja.heinemann@nikocity.de</p>	Heinemann	Svanja

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LA Sachsen Postfach 031 09022 Chemnitz Germany Tel.: ++49-371 – 9118 – 242 Fax: ++49-371 – 9118617	Hoffmann	Renate
Europabüro für Projektbegleitung efp GmbH Endericher Straße 125 D-53115 Bonn Germany Tel.: ++49-228-9 85 99 11 Fax: ++49-228-9 85 99 80	Honnef	Sibylle
INBAS GmbH Herrnstraße 53 63065 Offenbach Germany Tel.: ++49-69-272 24 0 Fax: ++49-69-272 24 30 E-mail: webmaster@inbas.com	Kendzia	Michael
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Hiba gmbh Platz der deutschen Einheit 25 64293 Darmstadt Germany Tel.: ++49-6151-66854-14 Fax: ++49-6151-66854-22 E-mail: klostermann@hiba.de	Klostermann	Petra
Redaktion EURO Professional Stierstraße 8 D-12159 Berlin Germany Tel.: ++49-30-21474 110 Fax: ++49-30-21474 111 E-mail: Kreft-Waldmann@t-online.de	Kreft	Wolfgang

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Céreq 10 place de la Joilette 13002 Marseille France Tel.: ++33-4-91 13 28 46 Fax: ++33-4-91 13 28 80 E-mail: mansuy@cerreq.fr	Mansuy	Michéle
Storegade 10 4171 Glumsö Denmark Tel.: ++45-2-346 62 89 E-mail: Jorgen.mork@get2net.dk	Mørk	Jørgen
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Ministry of Education Impalastraat 8 3523 PN Utrecht The Netherlands Tel.: ++31-30-2542662 E-mail: Kpagrach@Worldonline.nl	Pagrach	Karel
Institut für Ökonomische Bildung Universität Oldenburg Postfach 2503 26133 Oldenburg Germany Tel.: ++49-441-789 2638 Fax: ++49-441-798 2970 E-mail: paulsen@wiso.uni-oldenburg.de	Paulsen	Kerstin
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Ministry of Education and Sport CPI Kavciceva 66 1000 Ljubljana Slovenia Tel.: ++386-61-1864261 Fax: ++386-61-1422045 E-mail: mojca.polak@cpi.si	Polak	Mojca
Österreichischer Gewerkschaftsbund Hohenstaufengasse 10 – 12 1010 Vienna Austria Tel.: ++43-1-53444-466 u. 467 Fax: ++43-1-53444-204 E-mail: berufsbildung@oegb.or.at	Prager	Gerhard
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DESAN Postbus 10288 NL-1001 EG Amsterdam The Netherlands Tel.: ++31-20-520 71 28 Fax: ++31-20-638 72 99 E-mail: Hans.rutjes@desan.nl	Rutjes	Hans
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Landesarbeitsamt Baden-Württemberg Dillmannstraße 7 Stuttgart Germany Tel.: ++49-711-941-1439 Fax: ++49-711-941-1630	Scheck	Yvonne
Institut für Bildungsforschung der Wirtschaft Rainergasse 38 1050 Vienna Austria	Schedler	

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Mannheimer Zentrum für Europäische Sozialfor- schung (MZES) Universität Mannheim 68131 Mannheim Germany Tel.: ++49-621-292-1763 Fax: ++49-621-292-1714	Scherer	Stefani
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GOAB GmbH Lammertstraße 15-19 63075 Offenbach-Bürgel Germany Tel.: ++49-69-986488-0 Fax: ++49-69-862297	Schomburg	Herr
Stadt Offenbach am Main Amt für Arbeitsförderung, Statistik, Europa-Referat Berliner Straße 100 63012 Offenbach am Main Germany Tel.: ++49-69-8065-2866 / - 3164 Fax: ++49-69-8065-3481 E-mail: Schulze-Boeing@offenbach.de	Schulze-Böing	Matthias

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European Trade Unions Institute (ETUI) Bld. E. Jacqma in 155 1210 Brussels Belgium Tel.: ++32-2-22 40 492 E-mail: ASERRANO@ETUC.ORG	Serrano	Amparo
LA Berlin-Brandenburg Friedrichstraße 34 10969 Berlin Germany Tel.: ++49-30-2532-1646 Fax: ++49-30-2532-1615	Skroch	Wolfgang
Education and Training Division Organisation for Economic Co-operation and Development (OECD) 2, rue André Pascal 75775 Paris Cedex 16 France Tel.: ++33-1-45 24 16 61 Fax: ++33-1-45 24 90 98 E-mail: Richard.Sweet@oecd.org	Sweet	Richard
Bundesanstalt für Arbeit Referat 1 c 5 Regensburger Straße 104 90478 Nürnberg Germany Tel.: ++49- 911-1790	Thiel	Jürgen
AF-Storstöm Vestensborg Allé 8 4800 Nykøbing Falster Denmark Tel.: ++45-54 88 05 05 Fax: ++45-54 88 05 55 E-mail: R05KTO@af-dk.dk	Toft	Kis
BiBB Friesdorfer Straße 151/153 53175 Bonn Germany Tel.: ++49-228/388-286 Fax: ++49-228/388-264 E-mail: Ulrich@bibb.de	Ulrich	Joachim Gerd
Ständige Vertretung Österreichs Kortenbergsstraße Brussels Belgium	Vavrik	Ursula

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INBAS GmbH Büro Sachsen-Anhalt Halberstädter Straße 168-172 39112 Magdeburg Germany Tel.: ++49-391-6293-305 Fax: ++49-391-6293-366 E-mail: inbas.magdeburg@t-online.de	Voigt	Birgit
Maastricht University ROA P.O. Box 616 6200 MD Maastricht The Netherlands Tel.: ++31-43-3883287 Fax: ++31-43-3210999 E-mail: r.welters@roa.unimaas.nl	Welters	Ricardo
Education and Training Division Organisation for Economic Co-operation and Development (OECD) 2, rue André Pascal 75775 Paris Cedex 16 France Tel.: ++33-1-4524 9758 Fax: ++33-1-4524 9098 E-mail: Patrick.Werquin@oecd.org	Werquin	Patrick
Dipl.-Dolmetscher Jungholzstraße 1c 76726 Germersheim Germany Tel.: ++49-7274-2547 Fax: ++49-7274-2547	Wood	Alexander
Ministerstwo Edukacji Narodowej Al. Szucha 25 00-918 Warszawa Poland Tel.: ++48-22-629 6748	Zientala	Teresa

6.3 Brochures and Documentations

The following publications by the Federal Ministry of Education and Research (BMBF) on vocational training of disadvantaged young people are available free of charge on written request to

Bundesministerium für Bildung und Forschung

Broschürenstelle

Heinemannstraße 2

53170 Bonn

Fax: 02 28 / 57 36 01, Fax: 02 28 / 57 39 17, E-mail: information@bmbf.bund400.de

- **Berufliche Qualifizierung benachteiligter Jugendlicher**
(1999, 3rd revised edition, 287 pages)
- **Berufsbildungsbericht 1999**
(286 pages)
- **Berufsausbildung im dualen System in Deutschland**
(1997, 60 pages)
- **Fragen und Antworten zum dualen System der deutschen Berufsausbildung**
(1996, 104 pages)
- **Die neugeordneten Büroberufe**
Eine Handreichung für die Berufsausbildung benachteiligter Jugendlicher
(1993, 116 pages)
- **Die neugeordneten Metallberufe**
Eine Handreichung für die Berufsausbildung benachteiligter Jugendlicher
(1991, 190 pages)

The following items from the series **Ausbildung für Alle** are available:

- **Beratungsstelle zur Qualifizierung ausländischer Nachwuchskräfte (BQN)**
(1995, 96 pages)

On written request to

**Institut für berufliche Bildung, Arbeitsmarkt-
und Sozialpolitik**

INBAS GmbH

Herrnstraße 53

63065 Offenbach am Main

Tel.: 0 69 / 2 72 24-0, Fax: 0 69 / 2 72 24 30

E-mail: bestellung@inbas.com

the following publications can be ordered:

- **Transition from Initial Vocational Training into Stable Employment - Documentation of a European Conference - ^{*46}**
Series Berichte und Materialien, Vol. 4e, 2000
free brochure
- **Übergang von der beruflichen Erstausbildung in dauerhafte Beschäftigung – Dokumentation einer Europäischen Konferenz***
Series Berichte und Materialien, Vol. 4, 2000
free brochure
- **Individuelle Förderung benachteiligter Jugendlicher und junger Erwachsener – Förderdiagnose, Förderplan und differenzierte Lernangebote***
Series Berichte und Materialien, Vol. 3, 2000
at prime cost 28,00 DM
- **Lernen mit neuen Informations- und Kommunikationstechniken – Lernsoftware und Lernen mit dem Internet***
Series Berichte und Materialien, Vol. 2, 1999
at prime cost 20,00 DM
- **Betriebliche Realität in der Ausbildungsvorbereitung – Chancen und Grenzen***
Series Berichte und Materialien, Vol. 1, 1999
at prime cost 20,00 DM
- **Fortbildung von Personal in der Ausbildungsvorbereitung***
Eine Handreichung zur Planung und Gestaltung von Angeboten (1999, 132 pages)
free brochure
- **Innovative Konzepte in der Ausbildungsvorbereitung***
Eine Modellversuchsreihe berufsvorbereitender Bildungsmaßnahmen der Bundesanstalt für Arbeit (1998, 2. revised edition, 138 pages)
free brochure

⁴⁶ Publications in the following marked with a * can be downloaded free of charge from the Mediothek on the Net at the INBAS homepage (<http://www.inbas.com>).

- **Personalfortbildung in der Ausbildungsvorbereitung (PFAU)***
Bestands- und Bedarfsanalyse zum Fortbildungsangebot und Fortbildungsbedarf des Lehr- und Ausbildungspersonals in (berufs-)ausbildungsvorbereitenden Maßnahmen und Schulformen – Forschungsbericht
(1998, 84 pages)
free brochure
- **Berufliche und soziale Integration benachteiligter Jugendlicher in Brandenburg**
(1997, 148 pages)
free brochure
- **Berufliche und soziale Integration benachteiligter Jugendlicher in Mecklenburg-Vorpommern*** (1997, 126 pages)
free brochure
- **Berufliche und soziale Integration benachteiligter Jugendlicher im Freistaat Sachsen***
(1997, 116 pages)
free brochure
- **Berufliche und soziale Integration benachteiligter Jugendlicher in Sachsen-Anhalt***
(1997, 118 pages)
free brochure
- **Öffentliche Jugendhilfe und Berufsausbildung benachteiligter Jugendlicher**
(1994, 130 pages)
free brochure, please enclose postage in form of stamps 2,50 DM
- **Berufsausbildungen in Sonderform – Chancen oder Sackgasse**
Wege zur Qualifizierung und Beschäftigung lernbehinderter und lernbeeinträchtigter junger Menschen
(1997, 150 pages)
available only as a copy at prime cost 16,00 DM
- **Landesarbeitsgemeinschaften der freien Jugendhilfe und der öffentlichen Jugendhilfe gem. § 78 SGB VIII**
Strukturen und Aufgaben am Beispiel der Jugendsozialarbeit gem. § 13 SGB VIII
(1997, 22 pages)
available only as a copy at prime cost 6,00 DM
- **Ausbildungsbegleitende Hilfen**
Dokumentation einer Fachtagung vom 28. – 29.04.1994 in Kleinmachnow
(1995, 72 pages)
at prime cost 10,00 DM

- **Jugendsozialarbeit - Stiefkind der öffentlichen Jugendhilfe?**
Zur Umsetzung des § 13 KJHG durch die Jugendämter
in den neuen Bundesländern
(1994, 86 pages)
available only as a copy at prime cost 11,00 DM
- **Aktuelle Entwicklungstendenzen in der Benachteiligtenförderung**
Ergebnisse einer Befragung bei 30 Trägern von Maßnahmen der
Ausbildungsvorbereitung in überbetrieblichen Einrichtungen sowie abH
(Erhebungsstand 1994, 39 pages)
available only as a copy at prime cost 7,00 DM
- **Arbeitsverwaltung und Jugendhilfe: Gemeinsam für benachteiligte Jugendliche?! Dokumentation einer Fachtagung und Trägermesse in Sachsen**
(1993, 114 pages)
at prime cost 15,00 DM
- **Ausbildung für Alle: Mit der Projektmethode zum Ausbildungserfolg**
(1992, Media package including a video and a brochure)
at prime cost 50,00 DM
each:
Video 35,00 DM
Accompanying Brochure (1992, 104 pages) 15,00 DM

The following information brochures are available free of charge on the Net or as subscription to:

INFO DIENST „Innovationen in der Berufsausbildungsvorbereitung“ (INKA)

- INFO DIENST 1/98 (Februar) Vorstellung der Modellversuchsreihe und der Modellversuchsträger*
- INFO DIENST 2/98 (April) Kurzberichte zur ersten Konferenz der Modellversuchsträger und zum Stand der wissenschaftlichen Begleitung*
- INFO DIENST 3/98 (Juli) Individuelle Förderung*
- INFO DIENST 4-5/98 (November) Modularisierung in der Ausbildungsvorbereitung*
- INFO DIENST 1/99 (Februar) Kooperation mit Betrieben*
- INFO DIENST 2/99 (September) Lernen mit neuen Informations- und Kommunikationstechniken*

New Pathways to Vocational Qualification

Handbook and Information Brochures on Vocational Training of Semi-Skilled and Unskilled (Young) Adults in Employment

The following material can be obtained from **Institut für berufliche Bildung, Arbeitsmarkt- und Sozialpolitik GmbH (INBAS) Büro NRW**, Dellstraße 13, 47051 Duisburg, Tel.: 02 03 / 28 75 88, FAX: 02 03 / 2 17 15, E-mail: INBAS.Duisburg@t-online.de:

- Neue Wege zum Berufsabschluß – Ein Handbuch zur berufsbegleitenden Nachqualifizierung an- und ungelernter (junger) Erwachsener, 1999* Free
- Informationen für Arbeitsämter* Free
- Informationen für Bildungsträger* Free
- Informationen für Betriebe* Free
- Informationen für Kammern und Prüfungsausschüsse* Free
- Informationen für Teilnehmer/innen* Free

Information Material on Subsequent Training in Parallel with a Job

- Faltblatt Berufsbegleitende Qualifizierung mit Berufsabschluß für an- und ungelernte junge Erwachsene. Lernen in Betrieb und Bildungszentrum – Kooperation der Lernorte (3/98) Free
- Faltblatt zum Modellversuch „Berufsbegleitende Nachqualifizierung“: Arbeit und Qualifizierung – Eine integrierte Maßnahme für junge Erwachsene, die bisher ohne Berufsausbildung geblieben sind (2/98) Free
- Faltblatt zum Modellversuch „Berufsbegleitende Qualifizierung mit Berufsabschluß für an- und ungelernte junge Erwachsene“ bei der Gesellschaft für Aus- und Weiterbildung Dortmund GmbH – Kurzbeschreibung des Modellversuchs und Anschrift (1/98) Free
- Faltblatt zum Modellversuch „Modulare Qualifizierung mit Berufsabschluß“ bei der GQH – Gesellschaft für Qualifizierung im Handwerk mbH in der Handwerkskammer Düsseldorf – Kurzbeschreibung des Modellversuchs und Anschrift (1/96) Free

Innovative Schemes for Subsequent Training of Young Adults in Employment

(New Pathways to Vocational Qualification)

- Faltblatt Projekt „Neue Wege zum Berufsabschluß (3-4/99) Free

BiBB-Project "Lernen im Arbeitsprozess"

- Gestaltung von Lernmaterialien. Modul 5: Beton- und Stahlbetonherstellung (Maurer/in) Lernen im Arbeitsprozess Band 4 (1999) 20,-- DM
- Lernen im Arbeitsprozess als didaktisch-methodisches Konzept. Lernen im Arbeitsprozess Band 3 (1999) 25,-- DM
- Gliederung in Module. Lernen im Arbeitsprozess Band 2(1999) 15,-- DM
- Der Modellversuch „Lernen im Arbeitsprozess“ - Ziele und Konzeption. Lernen im Arbeitsprozess Band 1 (1999) 20,-- DM
- Lernen im Arbeitsprozess Bände 1 bis 4 zusammen 70,-- DM
- Beschäftigung und Qualifizierung zum Berufsabschluß – Ein Leitfaden zur Planung und Entwicklung von Maßnahmen zur berufsbegleitenden Nachqualifizierung in Thüringen (1999) 9,-- DM
- Faltblatt zum Modellversuch „Gliederung des Berufsbildes in Module“ (1/99) Free
- Faltblatt zum Modellversuch „Lernen im Arbeitsprozess als methodisch-didaktisches Konzept“ (2/99) Free

BiBB-Project "Das integrierte Arbeits- und Lernkonzept"

The following publications on the project "Das integrierte Arbeits- und Lernkonzept" can only be downloaded from the INBAS homepage on the Net at <http://www.inbas.com>:

- Handreichung Arbeitszeugnis
brochure 1999, 9 pages
- Handreichung Modularisierung
brochure 1999, 10 pages
- Handreichung Qualifizierungspaß
brochure 1999, 30 pages

6.4 Addresses of INBAS' offices

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Institut für berufliche Bildung, Arbeitsmarkt- und Sozialpolitik	63065 Offenbach am Main	Fax: 0 69 / 2 72 24-30
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INBAS GmbH	Hasenheide 54	Tel.: 0 30 / 6 95 02 69
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Büro Nord	22081 Hamburg	Fax: 0 40 / 20 97 79 –31
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		E-Mail: 100616.3323@compuserve.com

6.5 INBAS on the World Wide Web

You can also find INBAS on the Net at <http://www.inbas.com>. There, different categories offer information on vocational qualification of disadvantaged young people.

The area *Projects* is at the moment focussing on the preparation for vocational training. The main emphasis is on information on the project series „**Innovative Konzepte in der Ausbildungsvorbereitung (INKA 1)**“. Questions, procedures, and results of the series are described and the projects and those providing them presented.

There is also extensive material on the research project PFAU researching at a national level into the state of affairs in the field of „**Personalfortbildung in der Ausbildungsvorbereitung**“.

The **Mediothek** includes:

- the data bank LIMA covering literature and information material, a commented publication list with information on the preparation for a training and on other issues in the field of supporting disadvantaged people (including electronic order forms)
- the information service „Innovationen in der Ausbildungsvorbereitung“ plus additional material on different topics
- all products in relation with INBAS projects (brochures, reports, etc.) which have been published by INBAS or its principals to be downloaded

The **Infothek** includes

- a continuously up-dated and commented list on information on the Net: www-addresses for training places, information on career choices, further education offers, learning software, scheme providers on the Net, chat rooms focussing on careers information, etc.
- calendar of events for topical meetings, seminars, etc.
- short presentations of current developments in the field of preparation for a training.

News offers

- a description of how to register for the mailing list „Berufliche Qualifizierung benachteiligter Jugendlicher“
- information on current changes in the presentation of INBAS-Online - in line with our objective to be up-to-date and to offer you as often as possible something new.

I am looking forward to receiving **ideas and feedback** of any kind at <http://www.inbas.com> or at webmaster@inbas.com *Michael Kendzia*