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**DIRECTORATE FOR EDUCATION, EMPLOYMENT, LABOUR AND SOCIAL AFFAIRS
EDUCATION COMMITTEE**

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**THEMATIC REVIEW OF THE TRANSITION FROM INITIAL EDUCATION TO
WORKING LIFE**

INTERIM COMPARATIVE REPORT

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(Note by the Secretariat)

1. The attached document is a revised version of the interim comparative report of the Thematic Review on The Transition from Initial Education to Working Life on the first six countries visited in 1997 (Australia, Austria, Canada, the Czech Republic, Norway and Portugal). A draft of this report had been presented to the Committee at its March 1998 session. The revision is based on comments by the Committee and by a group of experts who met in June 1998 at the OECD.

2. The revised text has been completed by an executive summary and a concluding section proposing a number of “ingredients” of successful transition policies as well as pitfalls to be avoided (Section 6). The text aims at providing a clearer view of the main messages emerging from the first six country reviews. There are fewer and more focused illustrations from the countries visited throughout the text and an additional section with short “country portraits” highlighting major country specific features of education systems, youth labour markets and policy orientations (Section 3, including the schematic presentation of national education systems which figured in the Appendix of the previous version). A new section on the changing context of transition (Section 4) discusses major common developments currently affecting young people’s position in the labour market, changing patterns of participation in education and changes in the nature and duration of transition processes. The two sections on “Key issues and concerns” and on “Recent policy responses” from the previous version have been brought together in a single section - “Key issues and policy developments” (Section 5). This section concentrates on those issues which have received most attention from policy makers or where severe problems in some or all countries appear to call for increased attention. Appendix 4 has been added. It calls for care in cross-national comparisons of youth unemployment rates and proposes alternative measures of young people’s integration into the labour market.

3. Six additional countries have been reviewed in 1998 (Hungary, Denmark, United Kingdom, Japan, United States and Finland) and the last two country visits in the framework of this activity will take place in January/February 1999 (Switzerland and Sweden). A final publication presenting the main findings and policy conclusions from the fourteen country reviews will be presented to the Committee at its Fall 1999 meeting.

4. The Committee is invited to:

- i. **COMMENT** on the revised version of the interim comparative report;
- ii. **INDICATE** the types of issues which it would like to see emphasised in the final report to be presented to the Committee in Autumn 1999; and
- iii. **RECOMMEND** the dissemination of this report via the OECD Web site after taking into account comments by the Committee and by the countries concerned.

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EXECUTIVE SUMMARY

Introduction

1. This report provides an initial account of the principal conclusions to emerge from the six countries reviewed in 1997 as part of the OECD's thematic review of the transition from initial education to working life. The six countries were Australia, Austria, Canada (the provinces of Nova Scotia and Quebec), the Czech Republic, Norway and Portugal. These six countries were selected because they represent a diverse range of social and economic contexts as well as of policy approaches. Of necessity this diversity limits the generality of many of the conclusions that can be drawn from the first round of the review. Hence both the descriptive and analytical conclusions from the first round of the review will need to be tested against the full group of 14 countries participating in the review, which will conclude in 1999.

2. The transition from initial education to working life has been a long standing policy priority among OECD Members, since the oil shocks of the 1970s first gave rise to concerns about youth unemployment. But the issues facing countries as they attempt to improve young people's transition to work extend far more widely than youth unemployment. The transition from initial education to work is a key stage in laying the basis for continuing progression in learning and work throughout adult life, and transition policies and programs need to be judged in this light as much as against their effectiveness in improving young people's immediate labour market prospects. While improvements in young people's educational and labour market circumstances can be detected over the last twenty years, the transition to work remains a key policy issue among member countries. The problems of those who leave education early, without a qualification, remain serious, even if rising educational participation has reduced their absolute numbers. Too often the education and training that they are participating in fails to motivate or interest them, and its connections to working life are too tenuous. As a result many young people are unsure of how to benefit most from the diverse pathways available to them. Too many do not receive either real learning opportunities in work settings while they are students, or effective information and guidance to help them to chart their futures. The potential that employers, trade unions and community groups have, at a national level as well as locally, to improve young people's transitions, often remains unexploited. The review, launched by the Education Committee at its Autumn 1996 meeting, takes a broad perspective on the types of young people that it is concerned with -- those in the general education track and those who enter working life from tertiary education, as much as those who take vocational education and training pathways and those most at risk as they seek to achieve a secure place in the labour market.

3. A broad perspective on transition is important for two other reasons. The process of transition is a long one, stretching from the end of compulsory schooling sometimes until the late 20s, and for many young people it is getting longer. It is also a complex process, involving the interaction between the worlds of learning and employment, and requiring a focus upon education policies, labour market policies, welfare and social policies, and upon the interaction between these.

Typologies and pathways as organising concepts

4. The complexity and the scope of the review have suggested the usefulness of country typologies, or “ideal types” of countries, in attempting to integrate understanding of the diverse range of information to emerge from each of the countries reviewed. The report suggests two country types that can be of value for this purpose, although no one of the six countries precisely corresponds to either. The first describes those countries in which relatively open labour markets value generic employability attributes, rather than specific occupational qualifications, allowing flexibility in the match between occupation and qualification at the point of labour market entry. In these countries opportunities for adults to gain or update the knowledge and skills required for employment are widely available, often through short courses or modules. The second in broad terms describes those countries in which occupationally organised labour markets and institutionalised, “holistic” vocational education pathways form the framework for very many young people’s transition to work, and in which tightly woven safety nets are available for those who fall through the cracks, encouraging a quick reinsertion to mainstream education and training or work. Each of these types of countries has particular advantages -- and disadvantages -- in preparing young people for their working lives. The concept of pathways is central to the review, and each of the six countries participating in the review has been analysed in these terms. The pathways available in each of the six have been classified into:

- general education pathways;
- school-based vocational education pathways; and
- apprenticeship type pathways

5. Vocational pathways can be further classified into those that are intended to lead young people only to employment, and those that are intended to qualify them both for work and for tertiary study. In each country, of course, there are some young people who are not participating in any form of education and training. It is not unusual in individual countries to find quite high proportions of young people in pathways that receive comparatively little attention in policy debates. Conversely, those pathways upon which policy attention is intense can often be ones in which only a minority of young people are found.

The changing context of transition

6. A well functioning economy is fundamental in setting the conditions for effective policies and programs for young people’s transition to employment. But regardless of the nature of the economic cycle, developments in labour markets and in education during the 1990s are having a significant impact upon the nature of the transition process.

The labour market

7. As competitive pressures rise, labour markets are becoming more demanding for young people, and the consequences of being under-skilled and unqualified are rising. Labour markets are also changing in other important ways. In all of the countries reviewed in 1997 the service sector is now the largest employer, and its share of employment has grown over the last decade. Yet education policy debates in many countries continue to be dominated by pathways typical for sectors such as manufacturing and construction, which now employ relatively few new workers.

8. It is perhaps too tempting to be pessimistic about the longer term trends in young people's labour market position. Falling labour market participation rates by youth, falling employment rates, and little evidence of falling youth unemployment, can be observed in very many OECD Members. But there is another story that can be told, and it is important to do so. In the first place, conventional unemployment rates can be highly misleading as indicators of young people's labour market position. They are becoming increasingly misleading as educational participation rates rise, and as the overlap between education and the labour market grows, with more and more young people combining study and work. And in many OECD countries, the failure of unemployment rates to fall is not an issue that is confined to youth.

9. As educational participation has risen, the absolute number of teenagers who are unemployed has fallen, and as a proportion of the age group the number of young people under the age of 20 who are looking for work is now quite small in most OECD countries. In half of the OECD countries five per cent or less are unemployed and only in four them are ten per cent or more of this age group looking for work. When only non-students are examined, new data collections indicate that the scale of the problem is even smaller. It is also evident that as young people increasingly enter the labour market with higher and higher levels of education, their ability to compete with adults for the available work has increased, with youth to adult unemployment ratios falling in virtually all countries between the mid 1970s and the mid 1990s. Furthermore the scale of young people's labour market difficulties varies widely among OECD Members. Countries can be identified, including among those participating in this review, in which only very small proportions of young people do not make successful transitions, and in which young people appear to be provided with the types of skills and competencies that enable them to compete very effectively for the available employment. Such countries are of considerable policy interest within the context of this review.

10. This having been said, the position of that small group of young people who do not make a successful transition to work remains a key policy concern in all of the countries reviewed in 1997. And it is also important to point out that whilst the scale of the problem is small among teenagers, it is substantially higher among young adults. This draws attention both to the importance of transition policies laying the basis for longer term labour force participation and for lifelong learning, not just for immediate labour market entry, and to issues of the transition from tertiary education to the labour market, not just the transition from secondary education to work.

Educational participation

11. Educational participation rates are high in all of the countries reviewed in 1997 to the age of 17, with schooling or its equivalent becoming almost universal to that age. However after that age participation patterns diverge widely in the countries reviewed. At the age of 20 it is well above the OECD average in Canada and Australia, but well below it in Austria and the Czech Republic. Norway is striking, among the countries reviewed, for the relatively high proportion of young people who are still taking part in education in their mid 20s -- over one in four at the age of 24.

12. In all of the countries reviewed in 1997 educational participation has risen during the 1990s. However the patterns of this increase have varied widely between educational sectors and age groups. What does appear to be common is a general tendency for participation to fall in those pathways that do not lead to tertiary study, whether they are of the apprenticeship type or school based.

Transition processes and problems

13. In many OECD countries young people's transition to work is now beginning at a later age, and it is taking longer than a decade ago. The increased length of the transition process is only partly the result of labour market conditions making it hard for young people to settle into work once they leave full-time education. It is also because young people are staying in full-time education for longer periods. This extended participation in education is partly to gain higher qualifications for employment, but also at times because the interaction of student financing systems and labour market incentives and disincentives make education the more attractive option. It is also the result of young people combining their education with employment at an earlier age, so that longer and longer periods in which work and learning are combined precede full-time labour force participation. And in some countries, of which Norway is a good example among the countries reviewed in 1997, the extended nature of the transition period is influenced by substantial numbers of young people taking periods out of both education and employment in order to indulge in activities such as travel and other forms of personal development. Nevertheless, in other cases inactivity in a formal sense -- being engaged neither in education nor in the labour market -- is a serious issue for transition policies and an important indicator of those youth who are most at risk, including in some countries a high share of young women.

14. In all of the countries reviewed in 1997, the changing nature of the transition process and the changing context of transition have had a substantial impact upon those young people who leave school early and without formal qualifications. And in some, difficulty in the transition process can be observed not simply in unemployment or inactivity, but in extended periods after leaving full-time education being spent in temporary, casual or part-time work. At times such insecure employment is interspersed with spells of unemployment, and with participation in remedial and short term labour market measures.

How relevant is young people's education to the labour market?

15. In part the answer to this question depends upon the way in which the labour market is organised in a particular country. In countries such as Austria, the Czech Republic and Norway where specific occupational qualifications are important for labour market entry, the content of education, particularly within vocational pathways, becomes an important policy issue, and particular regional or occupational mismatches between supply and demand loom large in policy makers' minds. In response to these concerns one can see an increasing emphasis upon career education and guidance, and a search for ways to update curricula and qualifications in a faster and more flexible way. In such circumstances it is also likely that the adequacy of labour market projections will be a policy concern. In most of such circumstances, however, the regular monitoring of former students' labour market outcomes and the provision of the results of such monitoring to educational institutions are still insufficiently developed.

16. On the other hand in more open labour markets such as Australia and Canada, concerns about a mismatch between education and employment are more likely to focus upon the generic concept of employability, and here one is more likely to see as a response an emphasis upon the development and provision of so-called core skills or key competencies, and of unified qualification frameworks encouraging individuals to develop personal learning routes and skill profiles, sometimes documented in "skills passports" or "skills portfolios". At the same time, such countries often aim at strengthening employer involvement in education and training through the development of school-enterprise partnerships and through industry bodies defining changing skill requirements.

17. Whatever the type of labour market in which young people find themselves making the transition, it is important not to focus only upon short term employability, but also upon longer term

labour market prospects and upon qualification structures that clearly identify initial education and training as part of lifelong learning systems. Indeed easy access by young people to work that requires few skills and low educational qualifications can, as in the case of Portugal, be seen as a national policy problem.

18. If qualifications are to be relevant to the realities of working life it is important that those who are closest to it -- employers, employees and their representatives -- have a close involvement in their development. The development of national qualifications frameworks, in countries where these have not previously existed, looms large as a policy issue. The major concern is to achieve national consistency and coherence in qualifications, both within and between different levels of education, in order to ensure smoother movements from one level to another, and to maximise the flexibility with which skills can be used in national labour markets. Countries with strong apprenticeship traditions, such as Austria, at times express strong reservations about the development of modular qualifications systems, seeing them as having the potential to encourage young people to leave education too early with qualifications that are too narrow or too incomplete. However their proponents in countries where they are being developed, such as Australia, point to their advantage in allowing qualifications to be updated more quickly, and in providing greater flexibility in the adaptation of qualifications to the circumstances of particular localities or enterprises.

19. In all of the countries reviewed in 1997, the provision of opportunities for young people to gain experience in real work settings while they are still in initial education is seen as a key way to make education more relevant to the labour market. This can occur within employment based models such as apprenticeship, or in other structured arrangements such as cooperative education programs or their equivalent. Such opportunities develop important work related skills, and provide young people with key contacts with local enterprises that help their later job search. They are a powerful way to make learning more effective by allowing general understanding to develop from specific practical examples and by allowing learning to be set in context. Such aims have guided recent reforms to transition arrangements in countries as diverse as Australia, Canada and Norway.

20. Where such contact with real work settings is not organised through arrangements such as apprenticeship or structured work placements, and even in countries where it is, young people are showing an increasing tendency to combine their studies with paid employment out of school hours. Such employment appears to have a beneficial impact upon students' later job prospects, provided it does not discourage effective study and the acquisition of recognised qualifications. Early labour market experience can thus play an important role in improving the transition from initial education to working life.

Pathways: a common policy concern

21. In most of the countries reviewed in 1997, the organisation of the various routes which young people can take through initial education and training into employment has been a major focus of policy concerns and of important reform efforts in recent years. A key objective has been to allow young people to keep their options open for as long as possible, and to make vocational pathways more attractive by enabling them to provide access to tertiary study as well as to the labour market. This development has been evident in countries that have a long tradition of a strong vocational education sector, as well as in systems which are trying to revive and strengthen vocational education in secondary schools from a position in which it had largely disappeared as a separate sector. Genuine reform of pathways from education and training to employment is a complex task, requiring alteration to be made not only to educational matters such as curriculum content and certification arrangements, but also to labour market

arrangements, including youth and training wages and employer cost structures. Failure to pay attention to both sides of the equation -- education and the labour market -- can result in reforms leading to minimal real change in young people's or employers' behaviour, or even to widening gaps between labour market opportunities and educational attainment and to more young people being excluded from employment.

22. A common trend is for participation in general education pathways to be growing and for participation in those pathways -- whether general or vocational -- that do not lead to tertiary study to be declining. One strategy that has been adopted in response to such trends is the introduction of demanding "double qualifying" pathways, which allow young people to obtain qualifications both for employment and for tertiary study. This can be observed in Austria and the Czech Republic, where the model has been in existence for many years, and in recent reforms introduced in Norway. As an objective it also underpins many of the changes and reforms being introduced in some of the Australian States' schools systems.

23. Strategies to make the general education pathway more relevant to employment -- given that very many of those in it do not enter tertiary education directly from upper secondary education -- can be observed in many countries. These strategies include: the introduction of vocational education content into the general education pathway; greater emphasis on the acquisition and certification of "key" or "core" employment related competencies and skills; and making wider use of the community and of workplaces to illustrate and make concrete the relevance of general education. The purposes and outcomes of these latter strategies are far more uncertain than those of double qualifying pathways. However, the success of double qualifying pathways seems to some extent related to their selectivity in favour of the most successful students.

24. The outcomes of such "pathways engineering" suggest the following conclusions:

- offering a range of pathways suited to differing interests and needs at the end of compulsory education encourages a higher proportion of young people to remain in education and training;
- ensuring that vocational pathways can qualify young people for both work and tertiary study increases their attractiveness;
- ensuring broad pathways with multiple exit points increases their attractiveness and holding power, as does ensuring that there are opportunities for young people to cross from one pathway to another with minimal loss of time; and
- vocational pathways that involve strong links to employers and enterprises result in better immediate labour market outcomes for young people than do those with weak links.

Young people at risk in the transition

25. In the great majority of OECD countries those who leave school early are among those most at risk in the labour market. The proportion of young adults who have at best completed lower secondary education varies widely among the countries reviewed in 1997 -- from over 50 per cent in Portugal and 30 per cent in Australia to under 10 per cent in the Czech Republic and Norway. The reasons for early leaving vary widely. At times the causes can be found in the atmosphere of the school. At times the causes relate to systematic ethnic or regional disadvantage and in some countries, such as Canada, concern has been expressed about high and rising proportions of young boys among at risk youth. Whatever the

causes, the strongest policy emphasis in tackling the problem of early leavers' labour market disadvantage should be upon prevention.

26. Nevertheless in all countries significant efforts and resources are expended upon those young people who have left education and who have not been able to find work. Over time, labour market programmes for young people have become a permanent feature of education and employment systems in all OECD countries. They have evolved in character from a concentration on short-term employment with little or no training in the public sector towards training programmes and subsidised jobs coupled with training in the private sector, and towards more comprehensive, individually tailored and integrated packages of assistance, of which employment and training are components. Evaluations of the impact of youth labour market programmes have often produced disappointing results. In particular, training programmes for the young unemployed do not seem to have been particularly effective in getting them into stable employment. Nevertheless, the experiences of the countries reviewed in 1997 indicate that universal judgements should not be made. In particular the 1997 reviews emphasise the importance of seeing such programmes as part of an integrated approach to transition, rather than in isolation. Labour market programs form simply one means of assisting those at risk in the transition, alongside other educational, labour market and social policies.

27. Much attention is being paid to those countries in which strategies to reduce the incidence of early leaving are combined with intensive interventions to support and reintegrate those who do leave early into mainstream education and training. Of particular interest is the Nordic approach to the concept of a youth guarantee. Especially the Norwegian experience, of the countries reviewed in 1997, suggests that the absolute numbers at risk can be kept to a minimum through a combination of:

- follow-up and monitoring services operated at the local level to ensure that early contact is made with those young people who leave school without a qualification and who cannot find work;
- individualised mentoring which helps these young people to establish personal action plans, and a requirement for regular reporting of progress against these plans;
- an emphasis upon early reintegration to education which leads to a qualification, rather than upon quickly obtaining low skilled work;
- the availability of education, training and employment options which can be flexibly tailored to individual needs;
- to the extent possible, integrated delivery of employment, education and training and welfare and social services at the local level; and
- income support policies that require young people at risk to actively engage in education, training or job search, and which discourage unemployment or inactivity.

Career information and guidance

28. While varied approaches to the provision of career information and advice were evident in the countries reviewed in 1997, a distinct impression is that in many cases contradictions exist between the expectations placed upon counselling and guidance services and the means available to them. Careers staff in schools frequently have too little time, too many secondary responsibilities, and too little training and

resources. In some countries information and advice are often far too much centred on tertiary education bound students while those intending to enter employment at the end of upper secondary education do not receive enough attention and encouragement.

29. Effective guidance services need to balance the needs and interests of young people with the circumstances of local labour markets on the one hand and with wider national and international employment and educational opportunities on the other. Nevertheless the expectations that are placed upon guidance and counselling services are often unrealistic. They can, for example, be expected to reverse trends away from vocational education, to correct imbalances between labour market supply and demand, or to encourage more young women to enter technical occupations without actually addressing the underlying problems.

30. Increasing the effectiveness of guidance and information services requires that their links to employers, to the community outside of the school, and to labour market services be improved. It is also important that within the school they move from being marginal activities that are poorly resourced to functions that are central to and clearly integrated with the wider educational purposes of the school.

Continuity and change in sharing responsibility for transition

31. Effective transitions require many actors to assume and share responsibility: education, labour and social ministries; national, regional and municipal governments; employers, trade unions and their representatives; parents and community organisations. In some of the countries reviewed in 1997 an increased emphasis upon young people themselves taking responsibility for transitions can be observed. Certainly the increased complexity and diversity of the pathways available to them after compulsory schooling require them to consider decisions and their consequences more carefully. A trend towards the decisions that affect young people's transitions to be devolved more and more to local and regional levels can also be detected. Yet co-operation between different sectors and levels of government, and between governments and others, is not always as close as it should be. Such lack of co-operation can prevent policy harmonisation -- for example between income support and labour market policies -- occurring, and can make it more difficult for young people to make use of available pathways flexibly in line with their changing interests and aspirations.

32. Where such co-operation is effective, national standards and certification systems can provide signals about pathways and choices to young people and their parents. They can help to harmonise education and training with labour market requirements and at the same time allow individual choice, responsibility and mobility within coherent frameworks.

33. Countries with strong apprenticeship systems for youth -- of which Austria is the strongest example among the countries reviewed in 1997 -- have a long history of close employer and trade union involvement in setting national frameworks for curriculum content, certification, assessment and financing. These solid national partnerships between government and the economic actors, despite at times competing priorities between the parties, are also reflected in close involvement in education, training and guidance issues at regional and local levels.

34. Such co-operation and partnership carries obvious benefits for young people's transitions. Yet it is not always easy to replicate or create in countries with different traditions and institutional arrangements, particularly where employers and trade unions are not well organised centrally, and where centralised collective bargaining is weak. Nevertheless in countries that do not have such traditions and structures --such as Australia and Canada -- much effort can be observed, using different and at times

quite creative policy instruments, to foster close co-operation between firms and educational institutions. The review points to some clear lessons on the elements that help to make such local partnerships operate to the benefit of students. These include giving employers and other community members real rather than token roles in the management of programmes, appropriate resourcing of quality control by schools, and ensuring that firms receive real benefits in return for their contributions.

35. Both in countries with and without traditions of close co-operation between governments, employers and trade unions, a response that can be observed to an increasingly complex transition environment is the creation of new types of organisations to provide an intermediary or bridging role between young people and the more fragmented environment in which they must now operate. Intermediary bodies, acting as brokers between the young person, schools, employers and training organisations, are, in a number of countries, assisting young people's transition from initial education to work by co-ordinating training and work placement opportunities as well as social services at the local level.

Improving the information base

36. The review has highlighted the weaknesses of many existing data collections in providing indicators of trends and problems in the transition from education to work. In general, the available data are stronger in describing patterns of participation in education, and to a lesser extent movement through the education system, than they are in describing movement into and through the labour market. Little international data is available on the transition experiences of young people from different social backgrounds or regions. Available data on transition outcomes needs to be broadened and refined beyond traditional unemployment or employment rates, and indicators need to be developed that can provide a better picture of the process by which young people move through initial education to working life and of the impact which different types and levels of educational achievement have on labour market outcomes.

What are the key policy ingredients that determine successful transitions?

37. The six country reviews conducted in 1997 paint a picture that is at the one time differentiated and in many respects positive. Although youth unemployment and marginalisation are indeed preoccupying realities in most countries, the scope and nature of transition problems vary widely. Many countries have been able to significantly increase young people's educational participation and attainment in recent years and some have been able to significantly reduce the numbers of under 17 years old who are not engaged in education or employment. A longer term perspective would suggest that there has indeed been an improvement in young people's ability to compete with adults on the labour market. One rather encouraging message that arises from the country reviews themselves is that much can be learned from the differences between countries and from the positive achievements that various countries are able to demonstrate in a number of policy areas. It is important, however, not to focus on the various policy domains in isolation from each other, but to consider the complementarity of education, labour market and social welfare policies and how these reinforce or inhibit one another.

38. The review has suggested a number of features that appear to contribute to successful transitions, whatever the particular nature of the institutional arrangements in the countries concerned. These features, which should be tested further in the remaining countries participating in the thematic review are:

- clearly defined, well organised, open and coherent learning pathways and qualification frameworks designed and developed in a lifelong learning perspective;
- the availability of extensive opportunities for young people to participate and learn in real work settings while they are students;
- the provision of a broad range of vocational and technical skills, together with general education and personal skills, for young people not continuing into higher education;
- the existence of labour markets which are “youth friendly”;
- tightly knit safety nets for young people who are most at risk of social and economic exclusion which reintegrate them into mainstream education and training;
- attractive and accessible information, guidance and follow-up services for all young people integrating educational, labour market and social counselling;
- institutional frameworks for the organised and continuous involvement of and co-operation among all the relevant players at the national, sectoral and local levels in order to achieve policy coherence and effective programme implementation; and
- well designed monitoring tools such as statistics, indicators and longitudinal surveys reflecting developments in education and employment systems not in isolation from each other but revealing their interactions.

39. At the same time the review has suggested a number of pitfalls that are to be avoided if the transition stage is to lay an adequate foundation for lifelong learning. These pitfalls include:

- low levels of attainment and qualification among young people;
- large numbers of early school leavers in low skilled work that is not linked to education and training;
- vocational curricula containing limited general education subjects and which focus upon narrowly defined specific occupations;
- general education programmes that provide neither occupational qualifications nor skills and motivation for further education;
- limited opportunities for young people to combine classroom learning with learning outside of the classroom, whether in the workplace or the community, and learning environments that do not allow for applied learning, be it in the classroom or in programmes that span the classroom and the world outside it;
- insufficiently developed pathways between initial vocational qualifications and further and higher education due to separate entry requirements, qualification structures and financing mechanisms for secondary, tertiary and adult education; and
- a lack of readily available pathways back into education for school drop-outs, including the absence of individualised assistance for young people experiencing difficulties in the labour

market and a lack of financing mechanisms encouraging them to return to organised learning.

40. Other challenges remain. A key one is to draw upon the existing base of research and experimentation in OECD Member countries to better understand how sustainable and systemic reform of secondary education can better be used to promote those more integrated forms of general and vocational education and training that will provide far greater proportions of young people with an education that will equip them to function effectively in a knowledge based economy. Another is to better understand the complex mix of changes in young people's attitudes and public policy settings that is, in many Member countries, causing the transition to work to become more extended in its duration.

1. INTRODUCTION

1.1 Purposes of the Thematic Review

1. Improving young people's transition from initial education to working life has been a high policy priority in OECD Member countries since the mid 1970s when youth unemployment had become a major concern in the aftermath of the oil shocks. Recent OECD activities, including the *Jobs Study* (1994a) and *Lifelong Learning for All* (1996c), have provided additional arguments for giving transition issues very high priority on the policy agenda. The overall purpose of this review is to provide decision makers -- employers, unions and non-government organisations, as well as governments -- with information and analysis that can lead to better policy making. It looks at how young people's transition to work differs across OECD countries and how it has been changing within countries in recent years. In light of these changes and comparisons the review tries to assess what the key policy ingredients are that determine successful transitions.

2. The review looks at the transition problems of young people from a broad range of backgrounds: early school leavers who lack skills and recognised qualifications as well as those who undertake vocational education and training and those who enter tertiary study. For many young people the transition to work has become a lengthy process, which does not always have clear beginning and ending points. It is no longer merely a process of crossing a short bridge between full-time education and a stable full-time job. In a changing and increasingly uncertain world transition has become a continuous journey, starting before the end of compulsory education and continuing well after young people first enter work. Transition is a time where young people's plans for adult life are taking shape in the light of labour market conditions and of opportunities for further learning. It therefore is a pivotal stage in lifelong learning.

3. Young people vary widely in their circumstances and achievements. So too do countries. What works in one context, or with one group of young people, does not necessarily work elsewhere. The review therefore aims to assist OECD Member countries to develop more differentiated policy frameworks, and to understand the conditions under which combinations of particular education, employment, training and social policies might provide effective transition frameworks for young people.

4. Thematic reviews are a relatively new form of OECD activity in the field of education which commenced in 1995 with the *Thematic Review of the First Years of Tertiary Education* (OECD, 1998a). Thematic reviews differ from traditional OECD country reviews by their comparative approach. They help to expand the knowledge base by accumulating international evidence on the impact of policy reforms -- both successes and failures -- with regard to selected policy domains. They provide countries with the opportunity to learn more about themselves by examining their experiences against those of other countries. Within a comparative framework country-specific experiences and policy responses are examined and synthesised to generate insights and findings relevant to OECD countries as a whole. For the countries involved, a thematic review is shorter and less expensive than a traditional country review covering entire education systems.

5. The present review differs from other OECD reviews and activities in one additional respect. Starting out from the experience and problems of young people rather than the pre-occupations of particular administrations or institutions it takes a comprehensive and integrated approach, encompassing not only education and training policies but also employment and social policies that affect young people.

6. This report contains results from the reviews conducted in six countries in 1997: Australia; Austria; Canada (the Provinces of Quebec and Nova Scotia); the Czech Republic; Norway; and Portugal. Brief portraits of these countries are contained in Section 3.

1.2 Methodology

7. The thematic review was launched at the November 1996 meeting of the Education Committee. The selected countries represent a wide range of social, economic and educational contexts as well as diverse policy frameworks affecting young people's transition to work.

8. Participating countries appoint National Co-ordinators (listed in Appendix 1 for the countries reviewed in 1997) to liaise with the OECD Secretariat and to oversee arrangements for country participation. In most cases the countries also appoint a Steering Committee to orient and support the preparation of the review. Typically it is composed of representatives of education and labour ministries, researchers and key stakeholders such as employer associations and trade unions.

9. The initial task of the National Co-ordinator and Steering Committee is to produce a country Background Report. This report is based on a set of common questions (set out in Appendix 3) intended to guide the presentation of the context of young people's transition in each country, the identification of major transition issues and concerns and the description of recent policy responses. These questions were developed by the Secretariat with advice from a meeting of national representatives and experts held in September 1996. Some countries commission research organisations or tertiary academics to prepare the Background Report. In others it is prepared by teams drawn mainly from the Education and Labour Ministries. The authors of the Background Reports for the reviews conducted in 1997 are listed in Appendix 1.

10. The country visits are conducted by four-person review teams which include both OECD Secretariat members and external experts. The reviewers for each of the countries visited in 1997 are listed in Appendix 1.

11. The reviews include visits to education and training institutions as well as enterprises and community organisations. The reviewers meet young people, senior education and employment policy makers, programme administrators, employers and their representatives, trade unions and researchers. Following each review the team prepares a Country Note that sets out the reviewers' appreciation of transition issues and policy approaches in the country visited and provides suggestions for future policy action. The Country Notes also supply descriptive and analytical material for comparative analysis in addition to the information already provided in the Background Reports.

12. In the framework of the Thematic Review of the Transition from Initial Education to Working Life seven expert papers have so far been commissioned. These have provided information on specific issues to complement that contained in the Background Reports and Country Notes. Appendix 2 lists the expert papers prepared to date and the consultants who prepared them.

2. CONCEPTUAL AND ANALYTICAL FRAMEWORK

2.1 Scope and meaning of the term “Transition”

13. The transition from initial education to working life is for the purposes of this review defined as the period between the end of compulsory education and the point at which young people’s principal activity is work. For a small and declining proportion of young people labour market entry occurs at the end of compulsory education. For increasing numbers of young people, however, the transition period ends only in their late teens or in their twenties. The move into full-time employment occurs either after prolonged full-time education, during extended periods in which work and study are combined, or following such periods of combined work and study. It can also occur following periods in which job search is interspersed with insecure or temporary work and with participation in labour market assistance measures.

14. The age at which young people leave initial education to enter the labour market, and their levels of educational achievement at that stage, can vary considerably within any one cohort and across countries. For instance, in most of the countries reviewed in 1997 less than five per cent of the age group have left education by the age of 16 (but 25 per cent in Portugal), whereas between one-half and two-thirds stay on until the age of 18 (but over 80 per cent in Norway). At age 24, 20 per cent are still enrolled in education in Australia and Canada and over 25 per cent are still studying in Norway.

15. The term “transition” refers not to a clearly identifiable point in young people’s lives but to a process that can extend over many years. It can involve frequent movements between education, the labour market, and other activities such as travel (Dwyer and Wyn, 1998). The term also focuses attention on relationships and interactions between education and employment, both in individual careers and in terms of institutional linkages and pathways between education and employment systems. Choosing to review young people’s transition from initial education to working life, rather than observing either only their participation in education or only their labour market experience, thus implies efforts to relate different sorts of information which are usually not designed for that purpose. It also implies looking at different policy domains not simply from the point of view of their internal logic, but also with a view to their combined effects upon the ways in which entire cohorts of young people -- and particular groups among them -- move from education into employment.

16. Finally, the increasing complexity and duration of transition processes, and the growing variety of learning and qualification frameworks that support them, require us to see transition no longer simply as a stage following initial education and training. The borderlines between initial and further or continuing education are becoming increasingly blurred, and more and more young people have opportunities to acquire recognised qualifications in courses and programmes outside well defined systems of initial education and training. As these trends increase transition needs to be understood as a pivotal stage in lifelong learning.

17. From the point of view of young people, transition is a stage where relatively pre-determined education and training routes gradually give way to more individual responsibility and choice. It is a stage where they are confronted with a larger variety of courses and programmes provided in different institutional frameworks. For policy makers the changing patterns of young people's transition into working life are underlining the growing necessity to develop genuine systems of lifelong learning. Such systems must be based on clearly defined, multiple and open learning pathways. They must also be based on unified qualification systems which span both initial education and adult learning. These will allow young people and adults to move and progress across all sorts and levels of initial and continuing education and training.

18. The effectiveness of such lifelong learning systems will in addition depend upon the extent to which organised learning in the transition stage, and throughout working life, is encouraged and facilitated by working time arrangements, by the ways in which further education and training are financed, and by the ways in which skills are used and rewarded by employers.

2.2 Analytical framework

19. The focus of the review is on understanding how the interfaces between education, training and the labour market are organised in different countries and how they affect transition processes, transition outcomes, and young people's choices. The analytical framework for the review recognises that such interactions do not occur within a vacuum but are embedded in a broader context: for example developments in national economies, welfare systems and demography. The analytical framework also recognises the role that information (or a lack thereof) plays in shaping understanding about the factors affecting transition, and judgements about the success or failure of transition policies.

20. National transition frameworks can be described and compared using a number of dimensions. These include:

- the structure and organisation of education and training pathways and of qualification systems;
- the principles which govern the functioning of youth labour markets;
- the types of linkages which exist between education and employment systems;
- major policy approaches which countries adopt to improve school-to-work transition;
- patterns of decision making and co-operation among the main actors; and
- transition processes and outcomes.

21. The complexity and the scope of the review have suggested the usefulness of country typologies. Based on the diverse range of information emerging from each of the countries reviewed, "ideal types" or abstract models of national frameworks can help to highlight and distil particular associations of education pathways, qualification systems, labour market arrangements, policy approaches and patterns of decision making and their relationship with particular types of transition processes and outcomes.

22. Over the years several typologies have been developed which attempt to provide a basis for describing, analysing and meaningfully comparing countries' approaches to transition. Examples may be

found in Hannan et. al. (1996), Ryan and Buechtemann (1996), Soskice (1994) and (OECD, 1994b). The accuracy and practical utility of such typologies can be debated. Nevertheless, typologies can help to highlight those features of education systems and labour markets, and of the linkages between them, which can explain why some countries are more successful than others in organising young people's transition to working life. What is needed is a simple typology which can guide the description, analysis and comparison of transition processes and outcomes in different countries, and which allows us to identify the main ingredients of effective institutional frameworks and of successful transition policies.

23. The report suggests two country types that can be of value for this purpose, although no one of the six countries precisely corresponds to either. The first type is characterised by relatively open labour markets that value generic employability attributes, rather than specific occupational qualifications, allowing flexibility in the match between occupation and qualification at the point of labour market entry. In these countries opportunities for adults to gain or update the knowledge and skills required for employment are widely available, often through short courses or modules. The second type refers to combinations of occupationally organised labour markets and institutionalised, "holistic" vocational education pathways providing the framework for very many young people's transition to work, and in which tightly woven safety nets are available for those who fall through the cracks, encouraging a quick reinsertion to mainstream education and training or work. Each of these constellations of institutional settings and policy approaches has particular advantages -- and disadvantages -- in preparing young people for their working lives.

24. It is important to emphasise that the closeness of countries to one or the other of the two types described below will be shaped by national economic circumstances, predominant industry sectors and existing institutional frameworks. This needs to be kept in mind when discussing the extent to which countries are able to modify their employment, education and training systems. Nevertheless the typology draws attention to what may be ingredients of well functioning transition arrangements in varying institutional contexts. This report concludes with a summary of what these ingredients might be.

25. The open labour markets and flexible education provision in Anglo Saxon countries point to them being close to Type I. Apprenticeship countries, with their occupationally organised labour markets, seem to have much in common with Type II. In Nordic countries, the safety nets for those at risk suggest that these countries have much in common with Type II. On the other hand their labour markets are often not as tightly occupationally organised as in apprenticeship countries, and in this respect they can have points in common with Type I. Nordic countries, as others, thus show elements of both.

Type I Countries

26. Labour markets in countries close to Type I tend to be open and flexible rather than occupationally organised, even though occupational classifications do play an important role in many sectors of activity. Employer organisations and trade unions in such countries are often quite decentralised in their methods of operation. Membership of employer organisations is rarely compulsory, and trade union membership levels tend to be relatively low. Significant areas of the labour market are relatively unregulated in terms of employment protection, wages, working time agreements and social security arrangements. Such countries typically have a high proportion of the work force employed in the service sector. They have a mobile labour force, relatively high job turnover and a high rate of part-time and fixed-term jobs. Large segments of the labour market can thus be relatively open to the employment of young people. Such employment can be short-term, part-time and low paid for initial labour market entrants, and much of it is undertaken by full-time students, rather than by those who have left education.

The training that is associated with it is typically on-the-job rather than training that leads to a formal educational or occupational qualification.

27. Vocational education and training pathways at the upper secondary level tend to be relatively weakly developed in Type I countries, while participation in general secondary education and in tertiary education have tended to increase strongly. Nevertheless, a significant proportion of young people enter the labour market with upper secondary level general education qualifications only, that is without recognised occupational qualifications. In large part this reflects labour markets that are not strongly occupationally organised. Building upon a foundation of general education, work skills are typically acquired on the job (or -- in the past -- through time-served apprenticeships for adult workers). Where they are required for employment, formal vocational qualifications are often provided in institutions outside the regular school system.

28. Institutionalised linkages between education and employment are typically informal and decentralised in Type I countries. The relationship between job seekers and employers is likely to be mediated less by the occupationally relevant content of formal education and training qualifications and more by the level of education attained, complemented by personal qualities, experience and competencies accumulated in various settings. Education and training for employment tend to be provided according to market principles, in response to particular labour market opportunities and requirements. Many young people and adults therefore have varied opportunities for repeated returns to education and training throughout working life to undertake courses, often quite short in nature and provided on an ad needs basis, to gain the particular knowledge and skills in demand at a given time in a given place. Such courses are often organised as components or modules of broader programmes, and they can lead to partial qualifications which individuals can accumulate and combine in constructing their own personal skill profiles or portfolios. Type I countries tend to develop very flexible educational institutions that facilitate adult learning.

29. The “connectivity” between education and employment in countries close to Type I relies to a large extent on individual choice and initiative. This is complemented by an emphasis upon steering mechanisms. Unified qualification frameworks are one such mechanism, combined with arrangements which allow the certification of existing skills, independent of where and when they have been acquired (competency based rather than institution based). Such qualification frameworks and certification arrangements work to facilitate movements between different types and levels of education and training. Another approach to steering education and training supply is the experimentation with financial tools such as vouchers, and other forms of financial support for providers that are based on user- or learner-choice and on demonstrated outcomes.

30. Decision making processes in Type I countries tend to be relatively decentralised and diffuse. There is a tendency to foster the institutional autonomy and initiative of education and training providers within frameworks of support and steering mechanisms such as those mentioned above. Transition policies in such countries tend to place a priority on supporting particular at-risk groups. Policies are characterised by a multiplicity of programmes organised by a broad range of providers, including government, community organisations, industry and private organisations. Rather than direct and strongly input oriented government intervention, transition policies in such countries are more output driven, and government intervention is more indirect. The involvement of industry and other community actors occurs through more informal partnerships, often at a local level, and through networks of associations among public and private actors. Countries close to Type I are notable for the regularity and frequency with which they introduce reforms to their education, employment and training arrangements for young people.

31. Transition outcomes in such countries are mixed. Youth unemployment tends to be relatively high, but the average duration of unemployment is relatively short. Many young people seem to experience periods of experimentation and churning before they enter stable employment. Transition routes are relatively open to both success and failure. Safety nets for those less advantaged young people who fall over the edge exist in the form of labour market programmes and social support. However, an emphasis upon individual responsibility prevents strong pressures being exercised on these young people obliging them to participate in such programmes or to return to initial education.

32. The strength of transition systems close to Type I lies in the flexibility of both the labour market and the education and training system and in their responsiveness to changing social and economic conditions. Institutional frameworks and steering mechanisms put a premium on open learning pathways and continuous progression routes where. Learning opportunities, including during the transition stage, tend to be increasingly embedded in genuine systems of life long learning.

Type II Countries

33. Countries close to the second type of transition systems tend to have occupationally organised labour markets where jobs and qualification profiles are matched or designed according to corresponding criteria of skill requirements. Comparatively high shares of employment in such countries are in manufacturing, including large sectors of high-technology production. Countries close to Type II usually have limited numbers of well defined and strongly institutionalised education and training pathways at the upper- and post-secondary stage which are designed to lead the large majority of students to clearly determined destinations in the labour market. Skill requirements are made explicit through agreed job classifications, curriculum guidelines and rules of certification. At the same time, labour markets in such countries tend to offer organised opportunities for work in combination with part-time or full-time education. Youth employment under such arrangements is characterised by low wages associated with strong training elements, and by the provision of work which tends to be closely related to the education and training pursued.

34. Close linkages between education and employment are ensured in Type II countries through occupationally oriented curricula and qualifications (certificates, diplomas) designed in close co-operation with representatives from relevant industries and occupational associations. This holds true for countries with strongly developed school-based vocational education as well as apprenticeship countries. Dual apprenticeship type systems could be considered as coming closest to Type II. Industry is not only involved in designing curricula and qualifications, but also provides large scale training for young people according to agreed training regulations (training curricula).

35. To the extent that skill-enhancing work experience is an organised part of education and training pathways -- be they school-based or industry-based -- it can provide genuine "bridges" between education and employment. Countries close to Type II are thus characterised by strong "connectivity" between education and employment systems. This is an outcome both of occupationally organised and relatively "youth friendly" labour markets, and of linear, relatively pre-determined education and training pathways designed to equip young people with relevant occupational qualifications.

36. Policies developed in order to improve young people's transition to working life in such countries tend to concentrate on organising effective education and training provision for the mainstream of young people. At the same time, well organised safety nets tend to encourage those who drop out to quickly re-engage in education and training. The key objective of these policies is to provide all young people with recognised labour market qualifications before they leave initial education and training.

Educational support and labour market programmes for those who encounter particular difficulties before or during the transition process are also designed to equip as many of these young people as possible with recognised qualifications. Such countries also tend to have relatively well developed labour market services and information systems for young people. Education, employment and social welfare policies in Type II countries are thus directed at creating inclusive education and training systems and “youth friendly” labour markets. On the whole, transition policies in such countries are characterised by continuity and adjustments at the margin of education and employment systems, rather than by frequent reforms.

37. Governments in countries close to Type II tend to occupy a relatively strong position and to intervene actively in all the major domains affecting young people’s transition to working life. However, government intervention tends to be prepared and accompanied by systematic consultation and negotiation with all the relevant actors in industry and in the community. Such negotiation and decision making processes imply that the actors themselves are well organised, for instance within strong employer organisations and trade unions and in chambers of industry and commerce. Decision making processes in this type of country tend to take time and can be perceived as being rigid. On the other hand, once agreement has been reached and decisions are taken they tend to be adhered to and actively supported by all the partners involved.

38. In terms of transition processes and outcomes countries close to Type II are characterised by traditions of prolonged participation in occupationally oriented initial education and training and by relatively safe transition routes for the large majority of young people. Youth unemployment tends to be relatively low compared to other countries and very few young people are neither in education nor in the labour market. However, equity outcomes are more mixed. The existence of parallel and hierarchical pathways which diverge either before the end of compulsory education or immediately after it implies that the chances of obtaining interesting, well paid and career-oriented employment later on in life are unequally distributed across each age cohort at a relatively early stage. On the other hand, the relatively early and clear differentiation of programmes seems to provide slower learners or otherwise disadvantaged children with comparatively good chances of obtaining a recognised qualification and of getting a foot in the labour market. More open learning, transition and progression routes, where the chances of both success and failure are more open over a longer period, thus tend to be traded off against young people’s safe and rapid transitions into jobs some of which may have limited career perspectives.

3. COUNTRY PORTRAITS

Introduction

39. This section provides short summary descriptions of the countries reviewed in 1997. Each contains two parts. The first part provides a short overview of the overall labour market and educational context and the key conditions of transition in each of the countries reviewed. The second part provides a schematic representation, in a common analytical format, of the major education and training pathways from secondary education to work or tertiary study within each country, together with rough estimates of the proportion of an age group participating in each of these pathways (pathways diagrams). The country profiles are not intended to replace the detailed Background Reports and Country Notes that underlie this comparative report.

Pathways diagrams

40. Some brief comments follow to aid in the interpretation of the pathways diagrams.

41. Pathways through initial education and into working life differ markedly along a number of dimensions: their typical starting point; their duration; their typical exit points; the proportions of young people they attract; and their curriculum and organisational structure. Within any one country several pathways typically exist, and the attention that these receive in policy debates varies widely. The pathways that are the major focus of national policy debates are not always those in which the largest number of young people are enrolled, and at times substantial numbers of young people are in pathways which receive comparatively little policy focus.

42. The country reviews conducted in 1997 suggest that education and training pathways following compulsory education can be grouped into one of three broad categories:

- general education pathways;
- vocational education pathways that are predominantly school based; and
- apprenticeship-type pathways.

43. Each of the schematic representations that follow also includes a residual category, showing those young people who are not participating in education and training just after the minimum school-leaving age.

44. Vocational pathways can fall into two broad categories: those that qualify young people only for work, and those -- so called "double qualifying" pathways -- that prepare them for both work and tertiary study. The latter can either be school-based or of the apprenticeship type, although more typically the distinction occurs only within school-based vocational pathways. The schematic representations draw out

this distinction. The reviews also highlighted differences in the tightness of the links between upper secondary general education pathways and tertiary education. The proportion entering tertiary study directly from this pathway varies from around nine in ten in Austria and the Czech Republic to around one in two in Australia and Norway. The schematic representations attempt to illustrate this feature.

45. A key to the schematic representations can be found at the end of this section.

3.1 AUSTRALIA

46. Australia's population of 18.5 million is heavily concentrated in the Southern and Eastern coastal fringes of a land mass almost 25 times larger than Britain and Ireland. Some 20 per cent of the population was born overseas, one of the highest proportions of immigrants in the OECD. Its economy is highly dependent upon the export of primary products (agricultural products, metals, minerals), which account for 59 per cent of exports, although the contribution of manufactured goods has been growing in recent years. A federal system of government gives constitutional responsibility for education and training to the six States and two territories, whilst the Commonwealth government is responsible for labour market and employment policy, as well as for overall economic policy. GDP has been growing at an annual rate of over three per cent since the mid 1990s. Since the 1980s a more internationally open and competitive environment has been encouraged by national economic policy, with tariff levels falling, competitiveness and an export orientation being encouraged in the private sector, and privatisation and competition being encouraged in the provision of many government services.

47. These moves have been accompanied by the growth of a more decentralised wage fixation system to replace a previously highly centralised system of industrial relations, and by declining trade union membership. While primary products dominate national exports, the service sector now accounts for over 70 per cent of all jobs. Less than one in four of the labour force is employed in manufacturing, and only one in twenty in agriculture and mining. Over 20 per cent of all jobs and over 60 per cent of all teenagers' jobs are part-time. Full-time employment for teenagers has fallen rapidly during the 1990s. The unemployment rate has fluctuated between eight and nine per cent since the mid 1990s, having fallen from over ten per cent in the early 1990s. Whilst the number of teenagers seeking work as a proportion of the population of the same age is, at around 12 per cent, towards the upper end of the OECD experience, some half of all these are full-time students, mostly seeking part-time work. Labour force participation by Australian students is relatively high by OECD standards, with nearly half of all 15-19 year-old students being in the labour force.

48. In most of the Australian States and territories schooling is compulsory to the age of 15. Over one in five of all Australian students attend non government schools. Schooling is generally organised into primary education encompassing grades 1-6 (although in some States grades 1-7), lower secondary education which lasts from the end of primary schooling until the end of grade 10, and upper secondary education which occupies the two years of grades 11-12, which normally correspond to the ages of 16-17. States and territories are free to set their own school curricula, examination content and examination procedures, although there have been moves in recent years to harmonise and standardise the different State approaches to curriculum and assessment. Participation in upper secondary education grew rapidly between the early 1980s and the early 1990s, with the proportion of students completing 12 years of schooling rising from 35 per cent to 77 per cent between 1981 and 1992, although it has since fallen by some six percentage points. Upper secondary school programmes have had a strong focus upon general education and preparation for tertiary study, but there have been moves to diversify the curriculum during the 1990s to encourage vocational studies as a component of these programmes.

49. Vocational education and training has traditionally been offered in separate institutions to schools, involving different types of qualifications and certificates to those issued through the school system. Enrolments in the Technical and Further Education (TAFE) colleges in which vocational education and training is offered have grown rapidly during the 1990s. This growth has largely been among those aged over the age of 20, with the sector providing its courses in a very open and flexible manner suited to the circumstances of adult learners. Participation in TAFE colleges by those under the age of 20 has remained at around 20 per cent of the cohort during the 1990s. In addition to providing a

wide range of vocational programmes in which adults participate, TAFE colleges are also the principal providers of the off the job training required in apprenticeships and similar programmes. After growing strongly towards the end of the 1980s, the annual number of apprenticeship commencements, particularly by young people, has fallen sharply during the 1990s, although even at its peak the number represented a relatively small per cent of the cohort -- perhaps four per cent of 15-19 year olds. Annual apprenticeship commencements by teenagers fell from 49,508 in 1989-90 to 27,916 in 1996. Apprenticeships, which generally last for four years and are offered predominantly in traditional manufacturing and construction related occupations, normally require off the job training for one day a week during the first three of these four years. Traineeships are another form of structured training in which young people may participate. These are generally shorter -- around a year in length -- and require a higher proportion of the total time to be spent in off the job training. They are typically available in service sector fields such as office work and retailing. The number under the age of 20 commencing a traineeship grew from 13,247 to 19,253 between 1989-90 and 1996, with commencements by adults growing even more rapidly.

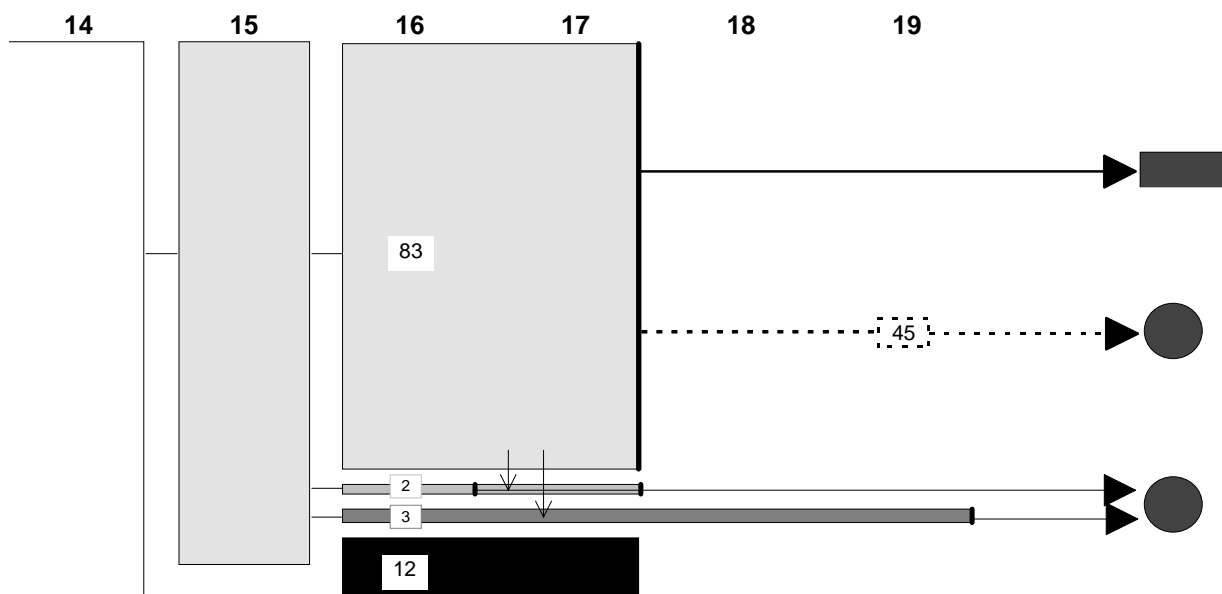
50. Participation in tertiary education in Australia has expanded rapidly during the 1990s. This expansion can be observed among those moving to tertiary studies directly from school as well as among older age groups. Between 1990 and 1996 the proportion of 17-19 year olds enrolled at a university rose from 15 per cent to 18 per cent.

51. The role of the Commonwealth government in education and training has expanded substantially over the last 20 years. It is the principal source of funds for universities, and although it provides only a minority of the funding for vocational education and training and for schools, with the majority provided by the States and territories, it plays an important policy role in seeking national approaches to common issues and concerns -- for example literacy standards. The role of national co-ordinating bodies, in which both levels of government and at times other bodies such as employers participate, has grown noticeably both in schooling and in vocational education and training in recent years.

52. The last decade has seen a strong and ongoing programme to reform vocational education and training in Australia. The reform agenda has included the development of national standards, the introduction of a national qualifications framework, the development of a competency based approach to training, increasing the role played by industry in the vocational education and training system, and the fostering of a more competitive and industry driven environment within which the public TAFE colleges operate. The reform agenda has been associated with an increase in the Commonwealth government's financial role in the vocational education and training system. Moves to strengthen and increase the flexibility of apprenticeships and traineeships have also been an important part of the reforms.

53. Associated with these reforms has been a growing role for schools in the provision of vocational education and training, in most instances as part of upper secondary education. This has been stimulated both by a range of local initiatives and by Commonwealth government initiatives. Many of the programmes stemming from these initiatives are notable for the partnerships that have been developed between schools and local enterprises, and for the attempts that have been made to incorporate vocational education and training credentials within general education courses. More recent initiatives have included: a developing role for schools in providing job placement and follow-up services for school leavers, often in association with community groups; encouragement for schools to work more closely with community agencies to address the needs of at-risk youth; a Common Youth Allowance to encourage active participation in education and training as a condition for young people receiving income support; and a reform of the public employment service in which job placement and labour market assistance are provided under contract to the government by a national network of private, community and government organisations.

Australia

*Notes:*

1. Estimates of the per cent of the cohort in each pathway are based upon data for 16 year-olds contained in the Australian Background Report.
2. The estimated proportion of those in the general education pathway entering the labour market rather than tertiary study is obtained from the Australian Background Report.
3. Flows following each of the two years of upper secondary school into the apprenticeship-type pathway and the school based vocational pathway (largely TAFE colleges in the Australian context) increase their combined size to 20 per cent or more of the cohort at ages 18-19.

54. **In Australia** 14 generally represents the final age of compulsory schooling, but 95 per cent of young people remain in lower secondary school for an additional year to complete Year 10. From the age of 16, the typical age at which upper secondary school is commenced, three main pathways are available:

- **The general education pathway**, which involves around 80 per cent of all 16 year olds, lasts for two years and provides a qualification which is generally intended to lead to tertiary study. While structural linkages between upper secondary education qualifications and work are weak¹, some 45 per cent of those who complete upper secondary education nevertheless directly enter the labour market and other activities rather than tertiary study. Significant numbers of students leave the general education pathway after one year to enter other pathways.
- **A full-time vocational education pathway** is entered by a very small proportion of the cohort at the age of 16 (perhaps two per cent). It lasts for varying periods that can range from six months to two years, although few persist in it for longer than a year. It provides qualifications that lead to work and can lead to further study within the same pathway, but generally they do not lead directly to higher education.

1. However the Australian Country Note observes that progress has been made recently in the incorporation of vocational courses and qualifications into the framework of the upper secondary school general education track.

- **An apprenticeship-type pathway** that typically lasts for either one or four years is entered by only a small proportion of the cohort (perhaps three per cent) after the end of lower secondary school, but by larger numbers of the cohort after completing either one or two years of upper secondary education.

Flows into these two vocational pathways after either one or two years of participation in the general education pathway result in them together accounting for around 20 per cent of the cohort at ages 18 and 19.

- **The residual category**, those not involved in any form of education and training but in the labour market or other activities, represents around 10 per cent of the cohort at the age of 16.

3.2 AUSTRIA

55. The Austrian economy ranks well in international comparisons. Austria belongs to the high performing countries inside the European Union with regard to GDP per capita, price stability and, above all, unemployment which throughout the 1990s has consistently remained far below EU average. Like in other European countries economic growth had slowed down in the first half of the 1990s, but the recession started later, was less profound and ended sooner than in most other countries. However, industrial restructuring is taking place under the combined pressures of foreign competition, especially from Eastern European countries, and public budget consolidation strategies in order to meet the Maastricht criteria. Insufficient output growth and the pressures for higher productivity, which now also affect previously more sheltered service activities, translate into job losses and increasing unemployment, rising from about 4 per cent in 1994 to about 7 per cent in 1997. The proportion of small- and medium-sized firms is comparatively high, as are proportions of self-employment, employment in agriculture and in the public sector. Finally, the manufacturing sector still employs a relatively large share of the Austrian work-force. As in most European countries, labour intensive industries (especially textile and metal industries) have become less competitive, but the industrial decline in Austria is taking place comparatively late, largely due to the privatisation of the large state-owned enterprises (Austrian Industries) which started only in the late 1980's and which coincided with growing competition from Eastern European manufacturing industries.

56. In 1997 two major issues dominated the educational policy debate: the lack of training places in the apprenticeship system and the problems which this caused for educational low achievers; and the deterioration of the prospects of university graduates caused by budget consolidation and growing restrictions in public employment.

57. Nevertheless, on the whole Austrian school-leavers continue to enter a labour market characterised by relatively low unemployment and by youth unemployment rates which are very close to adult rates, so that the youth to adult unemployment ratio (1.4 in 1996) is one of the lowest among OECD Members. These two features reflect an unusually smooth process of labour market entry for young people in Austria. Only one group of school-leavers appears to be facing serious problems in the labour market, namely those without qualifications above compulsory schooling. Their unemployment rate is two to three times higher than for those with any kind of additional qualification. However, at the time of the review only about 6,000 unemployed young people who had left compulsory education had been unable to find either an apprenticeship training place or a place in a youth labour market programme. A well organised system of general and vocational education together with an apprenticeship system serving less than 40 per cent of each cohort have so far been able to protect young Austrians from the transition problems experienced in many other OECD countries, such as high rates of unemployment, unstable jobs and ill-defined pathways towards qualified employment.

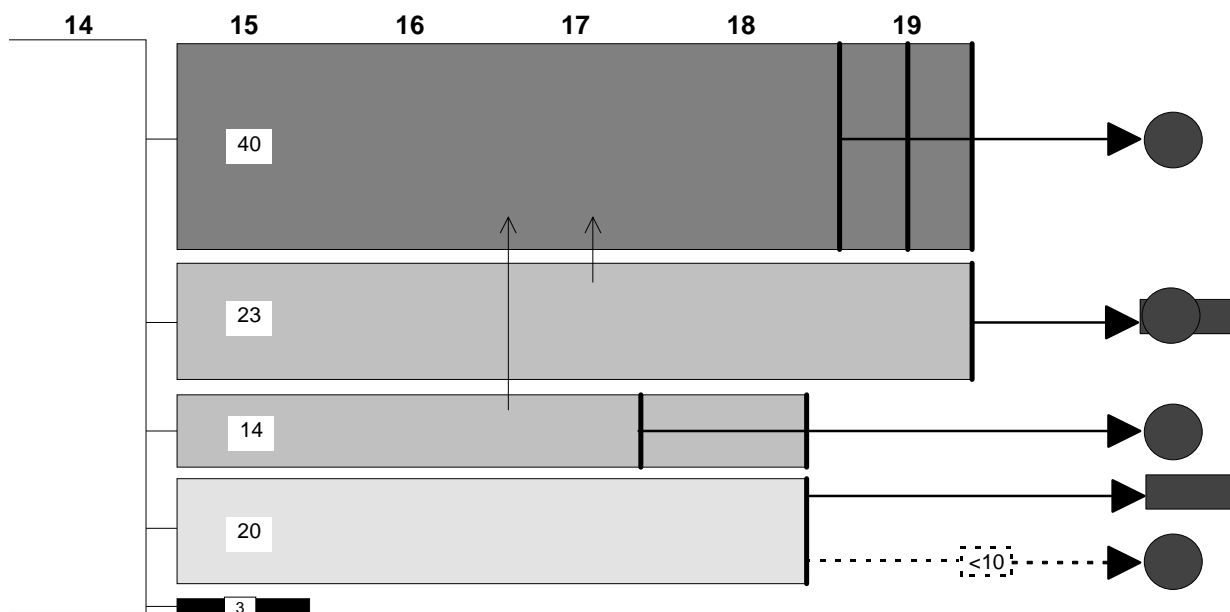
58. Transition from initial education to working life in Austria is channelled by a complex set of institutional frameworks and actors, including four federal ministries, the labour market service and the social partners, highly organised at national, regional and sectoral levels. Together these institutions and actors organise and operate a very inclusive mainstream system of vocational education. Non-qualified school leavers are perceived as a major problem by these actors and by the Austrian society as a whole, to the point that relatively small but growing numbers of young people at risk in 1996 and 1997 have led to intense national policy debate about the solutions to be found for these at risk groups -- among them many foreigners. Recent agreements among the social partners and government have provided for subsidised pre-training programmes for young people unable to find an apprenticeship place, with the aim of preparing as many of them as possible for rapid entry into ordinary apprenticeships.

59. The comparatively successful functioning of the transition system in Austria seems to be due to this tightly knit and intrinsically inclusive institutional framework which is characterised by a number of very distinct features, even when compared to the systems of other German speaking countries. While a declining share of 15-19 year-olds are entering apprenticeship -- by now less than 40 per cent -- a growing share of each generation is attending full-time general and vocational education. Both overall educational enrolment as well as the share of young people enrolled in vocational education have been increasing in Austria. This is due to a highly differentiated provision of school based vocational education and, in particular, to the so-called five year colleges (BHS) which since the post-war period have prepared young people for highly qualified work as well as for higher education entry. Today about 25 per cent of the age cohort pass through this "double qualifying" pathway.

60. Another interesting feature of the Austrian system is the important role played by so-called "training firms" within vocational schools. In many of these training firms students are enabled to run virtual modern service enterprises under conditions which are very close to those of real enterprises. They are supervised by a well resourced national institution -- the Austrian Centre for Training Firms (ACT). This Centre interacts with the training firms both as a partner-firm with which services and finances can be exchanged, and as a substitute for public administration in matters such as taxation and social security.

61. Problems in Austria, apart from those mentioned above, are seen to relate to the selection processes by which young people at the age of 14 or 15 are oriented into a hierarchy of educational pathways, with relatively high risks of dropping down from the highly attractive five year college (BHS) to apprenticeship vocational schools (BMS). Another issue of concern is a perceived "rigidity" of the heavy negotiation framework which characterises the apprenticeship system and appears at times to hinder rapid adaptation of training curricula and qualifications to changing labour market conditions.

Austria

*Notes:*

1. Estimates of the per cent of the cohort in each pathway are based upon Grade 10 data for 1995-96 provided in the Austrian Background Report.
2. The estimated proportion of those in the final year of the general education pathway entering the labour market rather than tertiary study is based upon data from a 1991 study cited in the Austrian Background Report.
3. Apprenticeship can be taken up at age 15 following lower secondary school.

62. In **Austria** young people choose at the relatively young age of fourteen between four principal pathways:

- **The apprenticeship pathway** involves slightly under 40 per cent of the cohort at the Grade 10 level (roughly equivalent to the age of 16). Normally it is not entered directly from the end of compulsory schooling, but either after one year of full-time pre-vocational study (this accounts for some 40 per cent of those commencing it) or more commonly through transfers by those dropping out of other pathways. Typically it lasts for three, three and a half or four years. It has traditionally provided a qualification that leads to work but not directly to tertiary. With the introduction of the “Berufsreifeprüfung” bridging programme in 1997, a new way to acquire general university entrance qualifications has been opened up for leavers from the apprenticeship system, in addition to the long-established courses for adults to upgrade their qualifications and take university entrance examinations.
- **A full-time vocational education pathway that lasts for five years** can be entered directly after Grade 8 and is entered by around one in four of the cohort. It provides qualifications that lead either to employment or to tertiary education. The transfer rate to tertiary education is more than 50 per cent. Training at these colleges is equivalent to diploma level education in other EU Member States. Significant flows by non-completers exist from this to the apprenticeship pathway.
- **A full-time vocational education pathway that lasts for either three or four years** is entered by around one in seven of the cohort after Grade 8. This pathway provides qualifications that lead to work but not directly to tertiary study, and these can be awarded at

either of the two main exit points. Significant flows exist from this to the apprenticeship pathway. As with leavers from apprenticeships, the “Berufsreifeprüfung” bridging programme introduced in 1997 provides a means to university study for graduates from this vocational pathway.

- **The general education pathway** involves around one in five of the cohort at the Grade 10 level. Entered directly after Grade 8, it lasts for four years and provides a qualification for tertiary study but not, with a few exceptions, explicitly for work. Most of those who complete the general education pathway continue on to tertiary study, with less than ten per cent entering the labour force directly.
- **The residual category**, those not involved in any form of education and training but in the labour market or other activities, represents only around three per cent of the cohort at the Grade 10 level.

3.3 CANADA

63. Canada has a population of 30 million people occupying a territory almost the size of Europe, but highly concentrated in large urban areas close to the United States. Canada is a rich country with per capita income of US\$ 21,529 in 1996, slightly lower than that of the United States. Real GDP expanded by 3.8 per cent in 1997 and is projected to grow by 3.3 and 3.0 per cent respectively over the two closing years of this century². Through population growth, immigration and increased participation rates, the labour force has grown at the highest rate among the G-7 countries, at more than double the average for these countries. Canada has one of the best educated populations among OECD countries. 46 per cent of adult men and 48 per cent of adult women hold a post secondary certificate or diploma. However, educational attainment in Canada appears to be strongly polarised. According to the International Adult Literacy Survey, Canada has the second highest proportion of adults at the two highest literacy levels, but it also has the highest proportion at the lowest level.

64. There are significant cross-provincial variations in economic activity, with growth rates generally increasing from East to West. The Canadian economy is highly interdependent with that of the United States. In 1996, almost 80 per cent of its exports went to that neighbouring country, and 76 per cent of its imports come from the United States. Over the past three decades Canada has experienced strong industrial restructuring with economic activity moving away from natural resources and goods to the service sector. This now accounts for over 73 per cent of total civilian employment, the second highest service sector share in OECD countries. Canada is characterised by high cultural and ethnic diversity: 20 per cent of its population is French speaking.

65. Relative to other OECD countries, the Canadian labour market has during the 1990s experienced high growth rates both, of the labour force and of employment. The employment growth rate was 1.9 per cent in 1997 and is projected to reach 2.2 per cent in 1998. Unemployment has fallen from a peak of almost 12 per cent in 1992 to 9.2 per cent in 1997 and is expected to fall further. Compared to other OECD countries, unemployment duration is relatively short. However, this advantage is partly offset by large inflows into unemployment.

66. The youth labour market is characterised by major changes in youth labour force participation rates over the past twenty years and by youth unemployment rates which are typically about double adult rates. Young people's participation in the labour market has declined steeply from over 70 per cent in 1989 to less than 60 per cent in 1997. Rising school enrolment and falling student participation in the labour force account for more than 80 per cent of this decline. Falling non-student participation in the labour force, a substantial decline in average earnings of young people since the early 1980's and a widening gap in earnings between youth (including non-students) and adults suggest a tightening of the labour market conditions for young people over the past decade.

67. The combination of study and work is a typical feature of the Canadian youth labour market. More than one out of two students hold a paying job during the school year, the proportion being higher among tertiary level students than among high school students. Students work on average 14 hours per week, but close to 20 per cent of 15 - 19 year olds work more than 20 hours per week (over 30 per cent among the 20 - 24 year olds). The proportion of 15 - 19 year olds combining full-time education and work had increased strongly during the 1980's and then dropped sharply since the beginning of the 1990's. Young people find it increasingly difficult to obtain a job without prior work experience, but the

2. OECD Economic Outlook 1998.

proportion of young job seekers without any work experience has risen from under 10 per cent in 1989 to almost 20 per cent in 1996. Providing students with relevant work experience is an objective which rates very high on the policy agenda of the Federal government as well as in the provinces.

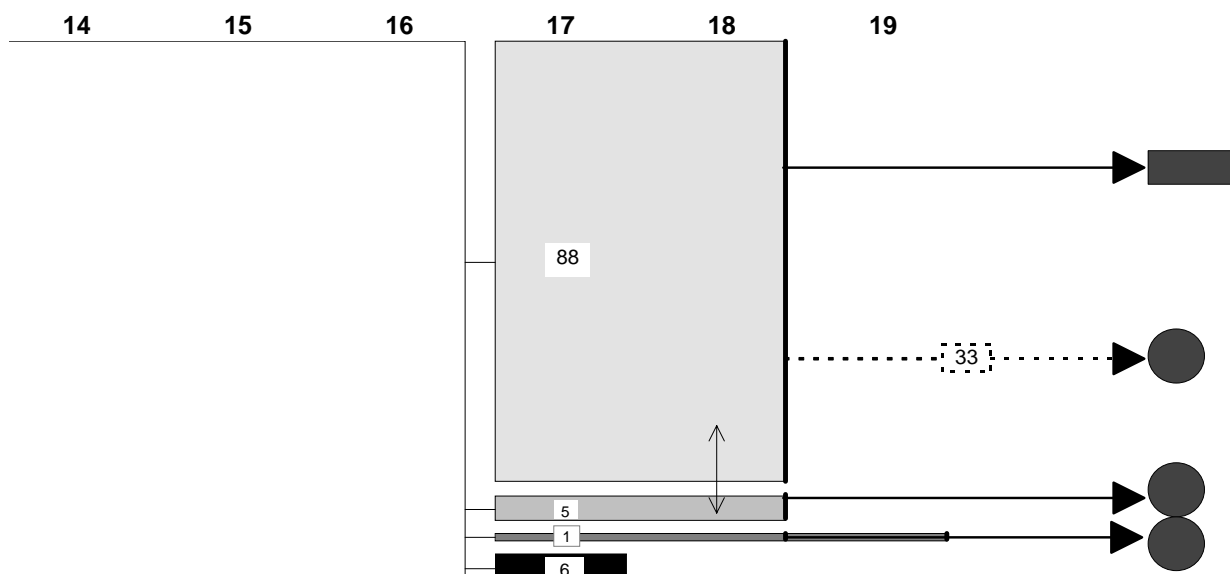
68. As in other federal countries, education is the responsibility of provincial governments. The structure of education systems varies little across provinces and territories. A presentation of the main education pathways and the distribution of students across them, as well as a chart showing the particularities of the system in Quebec, are provided below. The most salient developments over the past three decades have been the steady increase in full-time enrolment in colleges and universities (almost 57 per cent of 15 - 24 year olds attend full-time education), and the quasi disappearance of vocational education at the secondary level. A strong concern in most provinces is relatively high non-completion rates in high schools and at the tertiary level, even though a significant proportion, especially of high school drop-outs, obtain a certificate or diploma later on through a comparatively well functioning system of adult education. Quebec's top educational policy objective, "from access to success", clearly expresses a concern which is shared across Canada.

69. In spite of high and rising levels of participation in post secondary education there is growing concern that too many young people entering the labour market with general education only are not appropriately prepared for employment and career development. A broad range of education and labour market policies as well as industry initiatives are today addressing school-to-work transition in Canada in order to bridge the gap between the education system and the labour market. The focus of youth policies has shifted from job creation and employment subsidy measures towards encouraging young people to complete high school and to acquire work related skills before entering the labour market and during the transition stage. A major objective of relevant policies across the country is the development of opportunities for organised work experience as part of secondary and tertiary education.

70. While the larger enterprises and industry organisations are increasingly participating in these efforts it remains difficult to mobilise small and medium size enterprises and to find sufficient numbers of training places in industry for students in the framework of co-operative education, internship programmes and youth apprenticeship. Even relatively important public subsidies (tax credits of up to 40 per cent in Quebec for remunerated work of student trainees) have not been able to solve this problem. In addition, uncertainties about the financial consequences of the recently decided redistribution of responsibilities for human resources development policies from the Federal level to the provinces put into question the development and sustainability of large scale partnership programmes between schools and industry.

71. Other important policy issues relate to the (re-) introduction of vocational education at the secondary level in various forms in different provinces. Certain ambiguities exist as to the aims of such reforms. These include uncertainty about whether the emphasis should be mainly on improving the learning conditions and qualifications of students with learning difficulties, or whether even more successful students should and could be encouraged to take the vocational pathway in preparation for both qualified labour market entry and further study at the tertiary level. Following young people's clear preferences for general education in high school, policy orientations in the past had favoured the development of occupationally oriented studies in community colleges and in the CEGEPs (collèges d'enseignement général et professionnel) in Quebec. This has led to the development of a comparatively well developed and flexible system of further education in Canada which serves many young people during the transition stage as well as adult workers.

Canada - general

*Notes:*

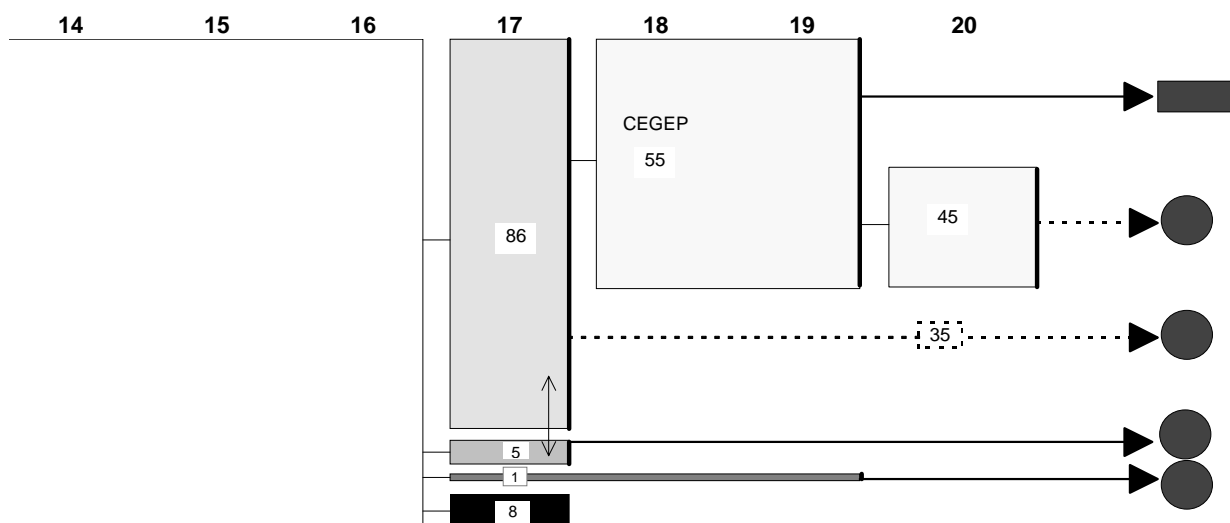
1. Because there are some significant structural differences in the organisation of upper secondary and the college sector in Quebec compared to the other Canadian provinces, Quebec is shown separately on the next page.
2. The proportions estimated to be in each main pathway are derived from the Canadian Background Report, and documents collected during the review visit.

72. **In Canada** education is generally compulsory to age 16, by which stage students are normally in year 10 of secondary school. Almost all young people (at least 90 per cent of the age cohort) remain in upper secondary education in which there are two main sorts of pathways:

- **The general education pathway**, which involves about 90 per cent of upper secondary students, commonly lasts for two years until the completion of year 12. Students progressively take a larger component of specialist academic subjects that reflect their interests. It is also possible for students in the general education pathway to take some subjects that are more vocational in nature and to participate in work experience programmes, although these components are not normally enough to gain a vocational diploma. About 80 per cent of the general education students complete secondary school, and of these about two-thirds enter tertiary education immediately from, or shortly after, secondary school.
- **The school-based vocational education pathway**, which enrolls relatively small number of secondary students and is much less prominent in most provinces than it was in the past. There are a number of efforts to revitalise this pathway. Although oriented towards preparing students for direct labour market entry, a reasonable proportion of vocational graduates later enter tertiary education, especially the community college sector.
- **The apprenticeship pathway** attracts only small numbers of young people, although it is an area gaining increasing policy attention. Only about 1 per cent of the Canadian labour force is in an apprenticeship, and they tend to be concentrated in a small number of trades and to typically involve older workers (the average age is 27 years).

- **The residual category**, those not involved in any form of education or training at age 16, is quite small at around 6 per cent of the age group. There is some concern, though, about those who commence upper secondary but who leave before gaining a recognised diploma, about 20 per cent of the cohort.

Canada - Province of Quebec



73. **Quebec** shares many of the features outlined above in the general overview of pathways in Canada. However, there are two distinctive features of the structures of pathways in this province.

- **Secondary school ends at year 11**, which is a year earlier than in other Canadian provinces. Students are commonly 17 years old at this stage. Participation in secondary education after age 16 is high, although there are concerns that about 30 per cent leave secondary education before obtaining the Secondary School Diploma (DES). Around one-third of the secondary school drop-outs later obtain the diploma through other avenues, many of them by the age of 20. School-based vocational education is starting to attract more enrolments, although absolute numbers remain low (24,000 students aged less than 20 years in 1995/96). The Ministry of Education in Quebec is also responsible for various training centres for young people and adults, and for the development of youth apprentices in conjunction with the Ministry for Employment and Solidarity.
- **A post-school sector between secondary education and higher education.** Secondary school leavers who wish to continue with their education enrol in a Collège d'enseignement général et professionnel (CEGEP), which is a sector providing general and vocational courses lasting either two years (pre-university study) or three years (technical programmes leading to the labour market). Successful completion of college is a pre-condition for university entry in Quebec. Although it is possible to move from school-based vocational courses to technological programmes in CEGEP, few do so and CEGEP students in both the pre-university and technological streams are nearly all recruited from among general secondary school students.

3.4 CZECH REPUBLIC

74. The Czech Republic has been fundamentally transformed over the past decade. In 1989 the-then Czechoslovakia broke away from Soviet influence and started a process of rapid liberalisation of political, economic and social structures. In 1993 the federation with the Slovak Republic was dissolved, and the Czech Republic created as an independent nation. The Czech Republic has experienced stronger economic performance than other former Soviet-bloc countries, and unemployment has been relatively low. However, GDP per capita (US\$8900 in 1994) remains well below that in most OECD countries, and there is a significant deficit on the trade account. Much of the infrastructure is outdated, and the economy has found it difficult to switch to producing more sophisticated goods and services in response to increased competition. The demographic outlook, too, offers a mix of opportunities and problems. By 2000 the number of 15-19 year-olds is projected to be 25 per cent lower than in 1993. Although this will almost certainly make it easier for young people to find work, the general ageing of the population means that productivity per worker will need to rise substantially to lift overall living standards.

75. The Czech economy and labour market have undergone major structural changes since 1989. The command economy has been largely dismantled, substantial sections of industry have been privatised, and greater competition introduced. Over 60 per cent of the workforce are now in the private sector (compared to just one per cent in 1989), small enterprises and self-employment account for 40 per cent of all workers, and the service sector has increased its share of employment from 40 per cent in 1989 to more than 50 per cent. Despite the massive changes that have occurred in such a short time, the unemployment rate has remained below 5 per cent. The rapid development of the services sector created many new job openings for the young. The unemployment rate among 15-24 year-olds in 1995 was only eight per cent, less than half the OECD average, although it has since risen slightly.

76. In the education and training sector there have been strong moves towards decentralisation and devolution of responsibility to schools and to district authorities. Private schools have been established, most enterprise-based vocational education has been transferred to the state sector, and freedom of school choice has been introduced. Some teachers have had to be completely retrained as totally new curricula have been developed in response to a more market-based economy. In particular, the technical schools and many private institutions have had to respond quickly to the growing need for qualifications in finance and commerce, foreign languages, and other service-oriented studies which were little provided before 1989. Education and training institutions are now far more autonomous, and the links between enterprises and education are now far less direct. One of the main policy challenges is how to develop more coherence and quality assurance in education and training while avoiding any suggestion of a return to centralised control by the State.

77. During the 1990s the emphasis has shifted to individuals having responsibility for charting their own pathways through education, training and work. Since 1990 earnings have become more differentiated, and substantially higher rates of wage growth have been evident for well-educated workers, especially those in the privatised sectors of the economy. Workers with skills in foreign languages, computing, marketing and finance have been in particular demand. This has had the effect of further stimulating the demand for education in secondary technical schools and higher education, as reflected in the increases in education participation.

78. In 1996 around 75 percent of 15-19 year-olds were enrolled in education, a rise of 10 percentage points from 1993. Education participation among 20-24 year-olds increased from 12 to 15 per cent over the same period. Around 20 per cent of 18 year-olds now commence full-time study in tertiary education at university level, compared with 15 per cent in 1989-90, and the number of new entrants to tertiary

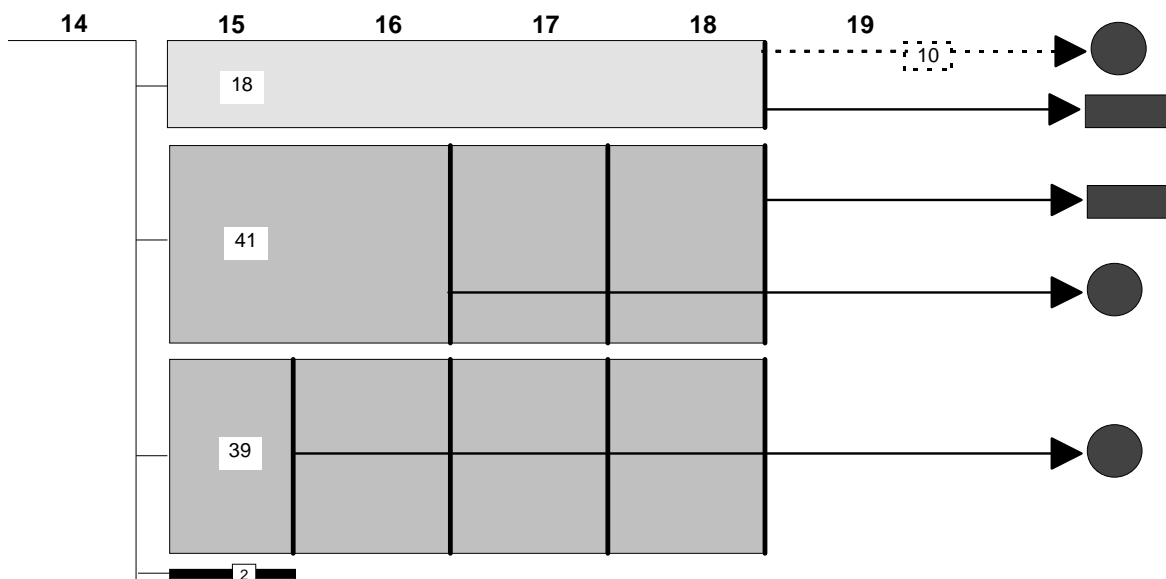
education of this type has increased by over 60 per cent recorded since that time. The demand for university places is even higher still: only about half the applicants for university secure a place. In the labour force as a whole, people whose highest level of educational attainment is basic education or less have much higher unemployment rates (eight per cent) than graduates from secondary school (about two per cent) or university (one per cent).

79. Virtually the entire population of 15 year-olds (about 98 per cent) continues into upper secondary education and receives some form of preparation for either further study or work. Completion of upper secondary education remains the principal entry point to employment: about 70 per cent of young people enter the labour market after upper secondary school. Upper secondary education is strongly vocational in nature: only 16 per cent of Czech upper secondary students were classified as being enrolled in general education programmes (in *Gymnasia*) in 1994, which was the lowest proportion among OECD countries. However, the vocational education sector has increased its general education component in recent years, and now provides more diverse pathways either into work or into higher education. Integrated secondary vocational schools have been established by combining elements of the secondary technical and secondary vocational schools, and experimental schools that combine elements of the *Gymnasium* and technical schooling have been introduced. The fastest enrolment growth has been in courses that potentially qualify students for entry to tertiary education: the overall proportion of upper secondary students in courses leading to the *Maturita* certificate rose from 45 per cent in 1989-90 to almost 60 per cent by 1995-96. School-based vocational courses that last for only one or two years, and which are largely oriented to immediate employment, have been losing numbers. In contrast to the situation that existed before 1989, few young people are involved in enterprise-based apprenticeship training.

80. Post-school educational opportunities are also becoming more diverse. Around seven per cent of 18 year-olds enter a higher professional school after the *Maturita*. These schools, although administratively associated with the secondary school sector, have many of the characteristics of non-university tertiary institutions in other countries, and their developing links with industries have seen their graduates enjoy high employment rates. Overall, therefore, at least 25 per cent of young Czechs now enter some form of tertiary education shortly after completing upper secondary school. The universities have introduced a new, shorter (three year) degree programme at Bachelor level but enrolments have remained low as most students (and employers) seem to prefer the Master's degree which now most commonly involves five years of full-time study.

81. Aside from the structural changes to encourage greater diversification and participation in the education system, the other major thrust of recent government policy has been to find ways to better balance central responsibility for education with decentralised and participatory decision making. Policy concerns of the period since 1994 are focusing on issues such as: the setting of national educational standards; developing monitoring and control systems for evaluation and quality assurance; establishing a national qualifications framework; using funding mechanisms to encourage the more efficient use of buildings, equipment and the teaching force; and the sharing of information and resources between the Education and Labour Ministries. Although some of these policy objectives have yet to be fully realised, the opening up of debate on these areas indicates that the somewhat turbulent environment of the early 1990s is giving way to a more co-ordinated and strategic approach to policy.

Czech Republic

*Notes:*

1. Estimates of the per cent of the cohort entering each pathway are based upon 1997 data on new upper secondary entrants supplied by the Czech authorities.
2. The estimated proportion of those in the general education pathway entering the labour market rather than tertiary study is obtained from the Czech Republic Background Report.

82. **In the Czech Republic** young people choose at the age of 15 between three main pathways:

- **The general education pathway** (in Gymnasia) lasts for four years, involves around one in six of the cohort at the age of 15, and provides a qualification intended to lead to tertiary study but not to work. About 10 per cent of those who exit from its final year enter the labour market or other activities rather than tertiary study.
- **A four year full-time vocational education pathway** (in technical schools and a part of the integrated schools), which is entered by about 40 per cent of the cohort at age 15. Most students (about 97 per cent) exit from it at the end of four years and obtain a qualification which leads to tertiary study or to work. This pathway also provides qualifications at the end of each of the second and third years which lead to work but not to tertiary study. Only about 3 per cent of students exit from these points.
- **A full-time vocational education pathway** (in vocational and apprenticeship schools, and a part of the integrated schools) entered by about 40 per cent of the cohort at age 15, provides qualifications at the end of each of its first, second and third years that lead to work but not to tertiary study (about 90 per cent of the students). The four year programme (involving about 10 per cent of the students) concludes with a qualification that provides access to tertiary education. Overall, about 80 per cent of the students in these schools take the three-year pathway. Follow-up courses do allow such students to access tertiary education at a later stage.

- **The residual category**, those not involved in any form of education and training, but in the labour market or other activities, represents around two per cent of the cohort at the age of 15.

3.5 NORWAY

83. Norway is a comparatively wealthy country, whose GDP per capita now exceeds Japan's. Some half of its population live in widely scattered rural communities rather than urban areas. It is a country with strong traditions of consensual decision making and of co-operative action, which are reinforced by high rates of participation in voluntary associations such as sporting, social and cultural organisations. A strong commitment to decentralised decision making sits alongside an equally strong egalitarian commitment to reducing social and geographical differences. Those under the age of 25 fell from 16 per cent to 13 per cent of the population between 1987 and 1997, with the sharpest falls being among the youngest ages. Economic growth has been strong in recent years with GDP rising by 3.7 per cent in 1996 and by 3.4 per cent in 1997.

84. The labour market is characterised by strong centralised collective bargaining structures, by a comparatively high rate of unionisation, by a relatively high degree of wage compression that reduces income differentials as a function of education, and by quite low unemployment of around four per cent. This forces Norway to deal with problems of labour shortages in some areas. Its enterprises are generally small, with only five per cent having more than 100 employees. Reflecting a tight labour market the unemployment to population ratio is quite low among young people, especially when those students looking for part-time jobs are excluded. In 1996 the number of non-student 16-19 year-olds looking for work represented only 1.4 per cent of the age group, and among 20-24 year-olds the non-student unemployment to population ratio was only 5.3 per cent. Its labour market policies place a strong emphasis upon shifting the unemployed from passive receipt of unemployment benefits to active programmes that improve their employability.

85. Education participation rates in Norway are high by OECD standards, particularly among those aged over 20. In 1996 27 per cent of 24 year-old Norwegians were participating in education, compared to an OECD average of 17 per cent. Since reforms introduced in 1994, flows between compulsory and upper secondary education have increased and drop out rates fallen. At the same time participation in vocational rather than general education pathways has increased from around 45 per cent to around 55 per cent of those commencing upper secondary school. Tertiary participation by 18-21 year-olds doubled between the mid-1980s and the mid-1990s.

86. The transition process is an extended one for Norwegian youth. Young people frequently take time out from study to work, travel, or undertake military or social service, and those who enter tertiary education frequently take a comparatively long time to complete their studies. Tertiary education progression rules allow periods of study to be lengthy. Those who enter upper secondary school -- normally at the age of 16 -- can choose between a three-year general education track designed to prepare them for tertiary study, and two vocational tracks. One of these is largely school-based, lasts for three years, and is entered by about one in four of the cohort. The other, the apprenticeship track, also entered by about one in four of the cohort, includes two years of school based study followed by two years of enterprise-based employment and training. The two vocational tracks tend to focus on different occupational areas, but those who miss out on an apprenticeship in their third year may take a school-based alternative in the same area. Transfers to the general track are possible at the end of the second year of the two vocational tracks, and those who have completed an apprenticeship are able to take a special supplementary six month general education course if they wish to qualify for tertiary study. The first two years of the vocational tracks require students to take general subjects for about half of their course. Courses are organised into three broad general education programmes and ten broad vocational programmes, each of which becomes increasingly specialised in the second and later years. The qualifications that are issued from the two vocational tracks are awarded following an examination and

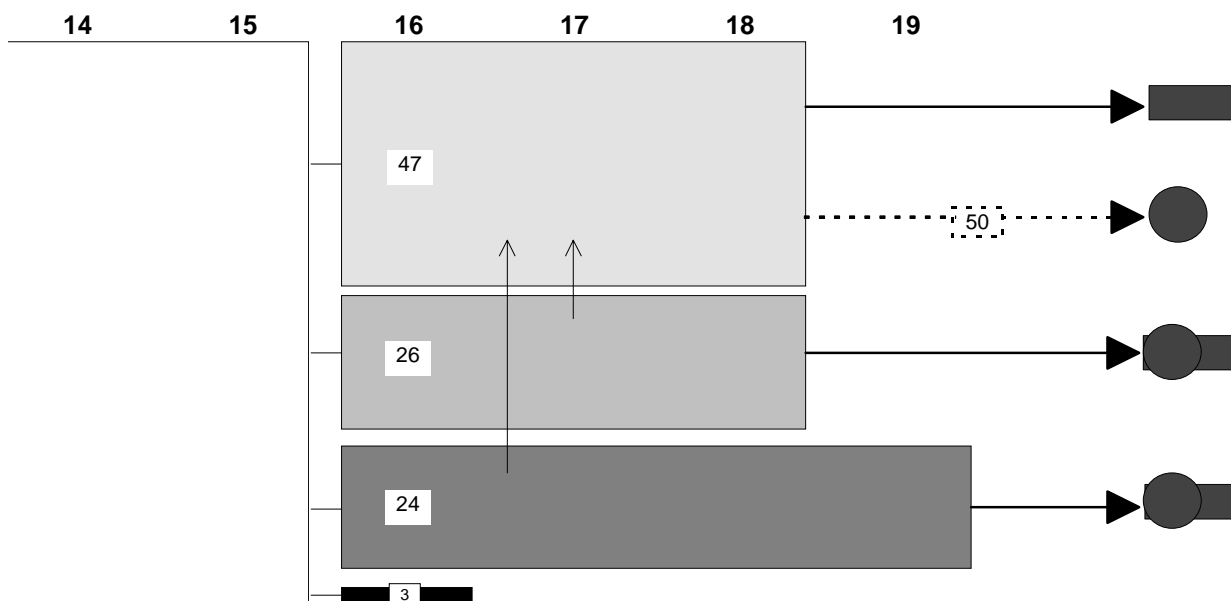
practical testing process in which employers and the trade unions are heavily involved, and they are the basis upon which skilled worker status is conferred in Norway.

87. A major reform to upper secondary education in 1994 provided all young people with an entitlement to three years of upper secondary education, to be exercised within a four year period. It increased the general education content of vocational courses, broadened vocational study areas to encompass wider occupational or industry groupings, and in doing so reduced the number of foundation level programs from over 109 to only 13. The apprenticeship pathway was strengthened through: the introduction of the standardised 2+ model described above; a reduction in apprentices' wages in association with a strengthening of the quality of the on-the-job training received and an increase in employer subsidies; the creation of new apprenticeship occupations in the service sector; the creation of co-operative mechanisms to assist smaller enterprises to train; and through the active promotion of the new model by employers and trade unions. Both groups had been actively involved in all aspects of the design of the reforms.

88. The reform also created a follow-up service to track and assist school drop-outs in order to encourage them to take advantage of their statutory right to complete upper-secondary education. Operating at the municipal level, the service offers individually tailored employment, education and training assistance including personal advice and action planning supported by mentors. This requires education, labour and welfare agencies, spanning all three levels of government, to co-operate.

89. A substantial reform to the compulsory years of schooling was introduced in 1997. It increases the number of years of compulsory schooling by introducing an earlier starting age, and attempts to improve the basis for lifelong learning by the emphasis that it places upon project-based learning, cross-disciplinary learning, team learning, and students assuming personal responsibility for their learning.

Norway

*Notes:*

1. Estimates of the per cent of the cohort in each pathway are based upon data in the draft Norwegian Country Note on those in the Foundation year of upper secondary education for the three education and training pathways, and on participation and transfer rate data in the same source for those in the not in education and training pathway.
2. The estimated proportion of those in the general education pathway entering the labour market rather than tertiary study is based upon data in the draft Norwegian Country Note.

90. **In Norway** three principal pathways are available after the age of 15:

- **An apprenticeship-type pathway** lasts for four years and is entered by around one in four of the cohort at the age of 16. It provides qualifications which lead to work, and, with the completion of a short period of additional general education studies, to tertiary study.
- **A school-based vocational pathway** is entered by around one in four of the cohort at the age of 16 and lasts for three years. It provides qualifications which lead to work, and, with the completion of a short period of additional general education studies, to tertiary study.
- **A general education pathway** lasting for three years is entered by around half of the cohort at age 16, and provides a qualification intended to lead to tertiary study but not to work. However around half of those who complete the final year of the general education pathway appear to enter the labour market or other activities rather than continue directly to tertiary study. Provision exists for transfers to the general education pathway from the other two pathways after two years and for a tertiary entry qualification to be obtained. Students who do so do not also obtain a qualification that leads directly to work³.

3. Partial qualifications that provide formal recognition for employment purposes for studies completed in the initial years of the vocational pathways have been foreshadowed in the upper secondary reforms introduced in 1994.

- **The residual category**, those not involved in any form of education and training but in the labour market or other activities, represents only around three per cent of the cohort at the age of 16.

3.6 PORTUGAL

91. Portugal is a country in rapid transition. Since the overthrow of totalitarian government in 1974, it has introduced wide-ranging reforms to democratise society and to bring the country into the international community. Especially since joining the European Union in 1986, there have been significant moves to open up the economy to greater competition, increase labour market flexibility, and upgrade the education and training system.

92. GDP per capita has increased from just 45 per cent of the EU average 30 years ago to about 70 per cent today. Economic growth has been associated with a narrowing of the differences in earnings between workers in different industries and in small and large enterprises, and in wealth and opportunities between coastal and inland regions, and among the various social classes. The expansion of education and training has played a key role in these regards.

93. Although the proportion of workers employed in agriculture (about 10 per cent) is relatively high by OECD standards, it has halved since 1985. Around 30 per cent of employees work in manufacturing, utilities and construction, and about 55 per cent in the tertiary sector, including commerce, retail, hospitality, finance and government. A high proportion of workers (around 25 per cent) are self-employed, principally in services and agriculture.

94. Small enterprises are another feature of the Portuguese economy. Around 45 per cent of employees work in enterprises with less than 20 employees, and just 30 per cent in enterprises with more than 100 employees. The relatively high concentration of self-employment and small enterprises can make it difficult to provide extensive on-the-job training. Human resource development in Portugal is therefore particularly dependent on the education and training sector. The demographic outlook is for an ageing society, and the working-age population is going to need to support an increasing proportion of the population.

95. Portugal's unemployment rate has been substantially lower than most other European countries since the late 1980s. Nevertheless in the early 1990s economic growth slowed, employment fell, and between 1992 and 1996 the unemployment rate doubled from around 4 to 8 per cent. Unemployment among 15-24 year-olds also rose sharply between 1992 and 1996 -- from 10 to 17 per cent -- and the proportion who had been unemployed for 12 months or more increased. These labour market difficulties prompted wide-ranging debates on education and training, and have led to some significant policy developments.

96. Although economic growth has recovered somewhat during 1997 and 1998, and unemployment rates have declined a little, young people's access to work is likely to remain difficult for some time to come. Young women experience notably higher unemployment rates than young men, and the gender gap in unemployment rates is larger in Portugal than in most other OECD countries.

97. One of the features of the youth labour market in Portugal is that the unemployment rate for those who have not completed upper secondary education tends to be lower than for those with higher levels of educational attainment. It seems that the Portuguese labour market is still able to absorb young people with low levels of formal qualifications. Although the minimum wage in Portugal is graded by age, the differentiation is less pronounced than in many other countries, and the full adult minimum wage is available at age 18. This could be part of the explanation for Portugal's ratio of youth to adult unemployment rates being higher than the OECD average.

98. The formal educational attainment of the Portuguese adult population is relatively low. In 1995, only 20 per cent of 25-64 year-olds had completed at least an upper secondary education, compared to an average of 60 per cent for OECD countries. The rapid rise in educational participation by young Portuguese in recent years means that the educational attainment gap between Portugal and other OECD countries will narrow over time. In 1996 around 85 per cent of the relevant age group were enrolled in grade 9 of basic education, and 55 per cent in grade 12, the final year of secondary education. Government policy objectives are to increase these participation rates by 2001 to 100 per cent and 66 per cent respectively.

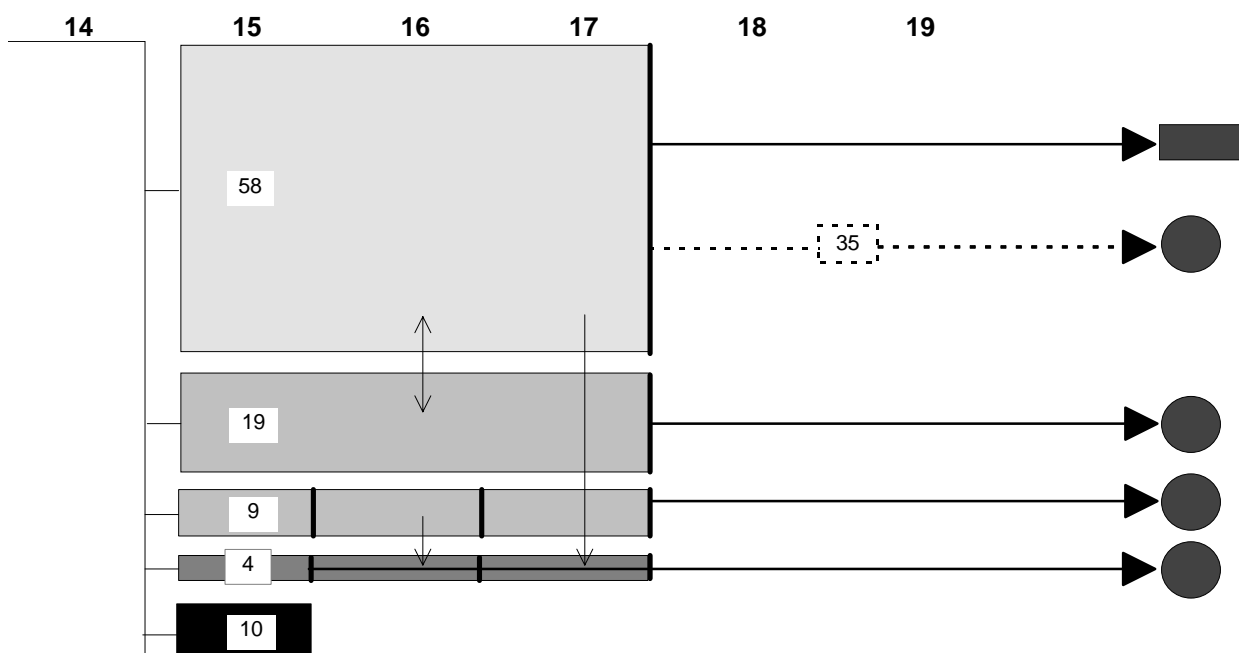
99. About two-thirds of those who complete secondary school enrol in tertiary education shortly thereafter, and overall about 30 per cent of the age cohort now enrolls in tertiary education, a participation rate that is close to the OECD average. Tertiary enrolments more than doubled between 1990 and 1996, and have quadrupled since 1980. Tertiary education has also become more diverse through the establishment of polytechnics and private institutions, especially in regional areas.

100. There are four main pathways through upper secondary education and its age equivalents. The largest is a general education pathway that lasts for three years from about age 15. There are four strands of general courses: natural-scientific; arts; socio-economic; and humanities. About three-quarters of upper secondary students take this pathway, which is oriented towards preparation for higher education. However, around 35 per cent of those from general courses enter the labour market rather than higher education after grade 12, and these young people are the subject of considerable policy concern since they experience relatively high unemployment rates. The second-largest pathway is school-based vocational education which comprises 11 technological courses within the four broad areas of study. These courses are undertaken by about one-quarter of secondary school students, or about 20 per cent of the age cohort. Transfer between the technological and general courses is in principle automatic, although it seems that few students do so. The technological courses normally include some work experience in enterprises. These courses include general education components and it is possible for students to directly enter higher education, but the numbers doing so are small.

101. Institution-based vocational programmes outside regular secondary school are the third largest pathway. These involve about 5 per cent of the age cohort in professional schools (operated by a variety of private and non-profit organisations under contract to the Education Ministry to provide vocational training in specialist and emerging fields) and about 4 per cent in vocational training centres supervised by the Ministry of Labour and Solidarity. Employment rates from these particular institutions are comparatively high. Such institutions normally have close relations with industry, and the graduates have comparatively high employment rates, with few going on to tertiary study. The smallest pathway to work is apprenticeship, which has only been in operation since 1985 and involves about 3 per cent of the cohort. Jointly managed by the Education and Labour Ministries, apprenticeships last from one to three years depending on the student's educational background and the occupational field.

102. Improving young people's transition from education to work has been a particularly active area of policy making in Portugal over the past decade. The pathways into work have been diversified by developing new institution-based routes outside regular secondary schools, the curriculum in school-based vocational education has been updated and broadened, and tertiary education has been encouraged to become more accessible and responsive to labour market needs. Employment protection legislation has been eased, which has potentially made the labour market more open to new entrants. In 1996 the Programme for the Integration of Young People in Working Life was formed under the auspices of a high-level contact group between the Education and Employment Ministries and the Secretary of State for Youth. This programme is seeking to develop a more integrated and articulated model of initial education and training, and to facilitate greater collaboration with industry.

Portugal



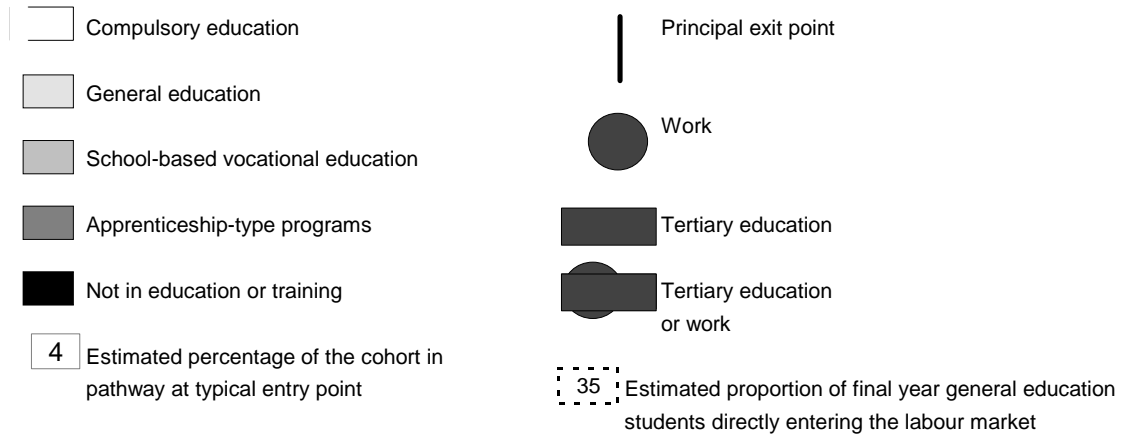
103. **In Portugal** there are four main pathways through upper secondary education and its age equivalents.

- **A general education pathway** lasting for three years that is normally entered at about age 15. About 90 per cent of the age cohort now enters some form of education and training after the completion of compulsory school, and the large majority of these enrol in secondary school. Within secondary school about three-quarters of students enrol in general or academic courses (COPSE) that are mainly regarded as preparation for higher education. There are four strands of general courses: natural-scientific; arts; socio-economic; and humanities.
- **A school-based vocational pathway** comprising 11 technological courses (COPS) within the four broad areas of study outlined above in the general education pathway. These courses are undertaken by about one-quarter of secondary school students, or about 19 per cent of the age cohort. Transfer between the technological and general courses is in principle automatic, although it seems the few students do so. The technological courses normally include some work experience in local enterprises. These courses include general education components and it is possible for students to directly enter tertiary education, but the numbers doing so are small.
- **Institution-based vocational pathways outside regular secondary school** have been established in professional schools (enrolling about 5 per cent of the cohort) and vocational training centres (about 4 per cent of the cohort). The professional schools, which are supervised by the Education Ministry but operated by a variety of private and non-profit organisations under contract to the Ministry, provide vocational training in specialist fields, especially in emerging areas that are not well catered for in regular secondary schools such as media, tourism and information technology. They provide qualifications up to Level III (equivalent to year 12 from secondary education) through courses of varying lengths.

Originally geared mainly to those with at least some upper secondary education, some courses now enrol students from year 9. The vocational training centres are managed on behalf of the Labour Ministry and provide an initial vocational qualification in selected occupations. Most trainees have completed at least 9 years of schooling, and some courses require at least 11 years. Compared to programmes in other institutions, those in the vocational training centres usually have a lower general education component as most trainees do not intend to go onto tertiary education. The vocational training centres normally work in close co-operation with local employers and public employment offices.

- **The apprenticeship pathway** has only been in operation since 1985, and the numbers involved are relatively small. Jointly managed by the Education and Labour Ministries, it is aimed mainly at the 15-25 age group. The apprenticeship which lasts from one to three years, depending on educational background and occupational field, involves a combination of study in a vocational training centre, and practical training in a workplace. The latter component involves a contract with the employer.

KEY TO THE PATHWAYS



4. THE CHANGING CONTEXT OF TRANSITION

104. A well functioning economy and labour market is perhaps the most fundamental factor to shape young people's transition from initial education to work. Where jobs are plentiful, they are more likely to be shared with the young. If unemployment is falling for adults, it will generally fall for youth as well. Where overall unemployment is low, the need for expenditure upon remedial labour market programmes for youth without work is reduced, and the possibility increases of using the same resources for effective mainstream education and preventative programs that reduce the risk of early school leaving. Economies in which national wealth is high or increasing can afford to invest more in the education of the young. Extended participation in schooling, in training-intensive employment or in tertiary education for entire cohorts of young people largely depends upon economies creating sufficient wealth to invest in longer periods of initial education. Economies in which productivity is rising through more efficient use of capital, investment in new technologies or more effective ways of managing and organising work are more likely to eliminate jobs for the lesser skilled and poorly qualified, and to create more interesting and skill-enhancing work that requires higher levels of education and training.

The labour market

105. All OECD Member countries are experiencing rapid social and economic changes that are making the transition to working life more uncertain. Changes in technology and work organisation are creating new and higher requirements for skills and knowledge. At the same time entry-level jobs are increasingly hard to obtain. Competitive pressures on enterprises and individuals are increasing as barriers to trade are reduced, public sector activities privatised, restrictions on international capital flows removed, and economic activities increasingly globalised. Competitive pressures and increased technological intensity have reinforced the importance of knowledge, skills and qualifications in allowing workers to progress within the labour market (Autor et. al., 1996). Low levels of basic education, as well as poor literacy skills, impose a substantial disadvantage both in access to employment and in access to job training (OECD, 1997a).

106. In all countries reviewed in 1997 the service sector now accounts for half or more of all employment, and in some over 70 per cent (Table 1). All are experiencing a similar trend for jobs to shift away from agriculture and industry and towards the service sector. This trend has been particularly evident in the Czech Republic and Portugal, where employment in agriculture has roughly halved over the last decade, with all of the employment being redistributed to the service sector rather than to industry.

107. The sectors where employment has either been static or has declined somewhat -- such as manufacturing and construction -- are most commonly those in which the education and training pathways that are of particular interest to many policy makers, such as apprenticeship, have had their origin and are still most prevalent. Within certain parts of the service sector education and training qualifications are more recent and less well defined, and employers frequently emphasise personal qualities and generic employability attributes when selecting young people. Service industry jobs can favour young people -- for example where they require computer skills, adaptability or proficiency in foreign languages. At the

same time new jobs and occupational skill profiles are emerging for instance in business services, financial services and the health sector which require new and high-level sorts of expert skills. However there are also many low-skill jobs in sectors like retailing and tourism, where young people are over-represented.

Table 1 Industry distribution of employment¹, 1986 and 1996 (per cent)

		1986	1996
Australia	Agriculture	6	5
	Industry	27	23
	Services	67	72
Austria²	Agriculture	9	7
	Industry	38	33
	Services	54	60
Canada	Agriculture	5	4
	Industry	25	23
	Services	70	73
Czech Republic	Agriculture	12	6
	Industry	48	42
	Services	40	52
Norway³	Agriculture	7	5
	Industry	27	23
	Services	66	72
Portugal	Agriculture	22	12
	Industry	34	31
	Services	44	56

Notes:

1. Agriculture consists of ISIS Division 1 (Agriculture, hunting, forestry and fishing); Industry consists of ISIS Divisions 2-5 (Mining and quarrying,; Manufacturing; Electricity, gas and water; and Construction); Services consists of ISIC Divisions 6-0 (Wholesale and retail trade, restaurants and hotels; Transport, storage and communication; Financing, insurance, real estate and business services; Community, social and personal services; and Activities not adequately defined).

2. 1986 and 1994

3. 1986 and 1995

Source: OECD (1997b)

108. The broad industry sectors in which total employment has been growing in the countries reviewed in 1997 tend to be those in which, in most OECD countries, youth employment is heavily concentrated. Hotels and restaurants, wholesale and retail trade, automotive repairs, and personal services together account in many countries for the largest single group of young workers, suggesting that what happens to youth in the labour market partly depends upon developments in a limited set of industry sectors (OECD, 1996b). The growth of the service sector has been accompanied by a rise in self employment and other forms of “non standard” and less secure employment such as part-time and temporary work (OECD, 1994a). Between the 1980s and the 1990s there was a widespread and in some countries very sharp increase in individuals’ perceptions of job insecurity (OECD, 1997c).

The position of young people in a changing labour market

109. In the context of an overall long term rise in unemployment levels since the beginning of the 1980s among OECD Member countries, it is not surprising that on a number of indicators the labour market position of young people appears either to have worsened or not to have improved. Despite declines in the relative size of the youth cohort between the mid 1980s and the mid 1990s in most OECD countries the relative employment and earnings positions of young people did not improve. Youth labour force participation rates and employment rates fell across a large number of OECD countries over the period, and the earnings of young workers declined relative to those of older workers (OECD, 1996b; Eurostat, 1997). Among eight of the countries that are participating in the thematic review for which relevant historical data is available (Australia, Canada, Finland, Japan, Norway, Portugal, Sweden and the United States) the proportion of the total youth population that was unemployed fell from an average of 7.0 per cent in 1977 for 15-19 year-olds to 6.1 per cent in 1987, and then rose to 6.6 per cent in 1996. Among 20-24 year olds the unemployment to population ratio in the same group of countries rose from an average of 6.3 per cent in 1977 to 6.9 per cent in 1987, and to then 9.4 per cent in 1996. While data that spans the same period is not available for all of the six countries reviewed in 1997, Table 2 shows a number of common labour force indicators for the six that spans the 1990 to 1996 period. It would appear to support similar overall conclusions about falling participation and employment rates, and an overall trend during the period for unemployment not to have fallen.

110. In virtually all countries for which data is available, young workers experienced declines in earnings relative to older workers during the 1990s (OECD, 1996f). These falls have occurred despite national differences in wage fixation mechanisms, despite a common pattern of decline rather than increase in the size of the youth cohort, and despite an increase in the education levels of young people as a result of rising participation levels. A decline in the real earnings of 15-19 year-olds and their increasing concentration in low paid work is evident in Australia (Wooden, 1997), and a widening gap between the earnings of youth and 45-54 year-olds since 1981 is commented upon in the Canadian Background Report.

111. However trends such as these need to be set against a number of other important considerations:

- Great care needs to be exercised in using many of the conventional labour market indicators as measures of the transition difficulties faced by young people. Unemployment rates, for example, are highly influenced by young people's labour force participation levels, which in turn are influenced by rates of participation in education. Both unemployment rates and unemployment to population ratios are heavily influenced by the overlap that exists between educational participation and labour force participation, and this varies widely among countries. A more detailed treatment of this issue can be found in Appendix 4.
- Not all of the trends outlined above necessarily indicate an increase in the transition difficulties faced by young people. A fall in labour force participation and in employment rates might, for example, reflect little more than a rise in educational participation rates, and thus a growth in the knowledge, skills and qualifications possessed by new labour market entrants.
- It is clear that in some respects the labour market position of young people has improved over the last twenty years. Ratios of youth to adult unemployment rates are an indicator of the success of young people in competing with adults for available jobs. The closer these ratios are to 1.0 the more equal the competition between young people and adults. These ratios have generally declined in OECD Member countries since the early 1970s, with the decline being greater among teenagers than among young adults. At the same time the fall

was commonly greater in the 1970s and 1980s than in the 1990s (OECD, 1994a). Among eight countries that are participating in the thematic review for which relevant historical data is available (Australia, Canada, Finland, Japan, Norway, Portugal, Sweden and the United States) youth to adult unemployment ratios⁴ fell from an average of 3.6 in 1977 to 2.6 in 1987 and to 2.4 in 1996. This relative improvement in young people's position in the labour market can in large part be ascribed to rising educational levels among new labour market entrants, whose knowledge, skills and qualifications are better adapted to the needs of a knowledge society. It has also been attributed to the declining competition among young people themselves due to an easing of demographic pressures and increasing and prolonged enrolment in education. Not least, the introduction of labour market measures has contributed to improving young people's labour market prospects (OECD, 1994a).

4. Defined here as the ratio of the unemployment rate among 15-24 year olds to the unemployment rate among 25-54 year olds.

Table 2 Youth labour market indicators, 1990 and 1996

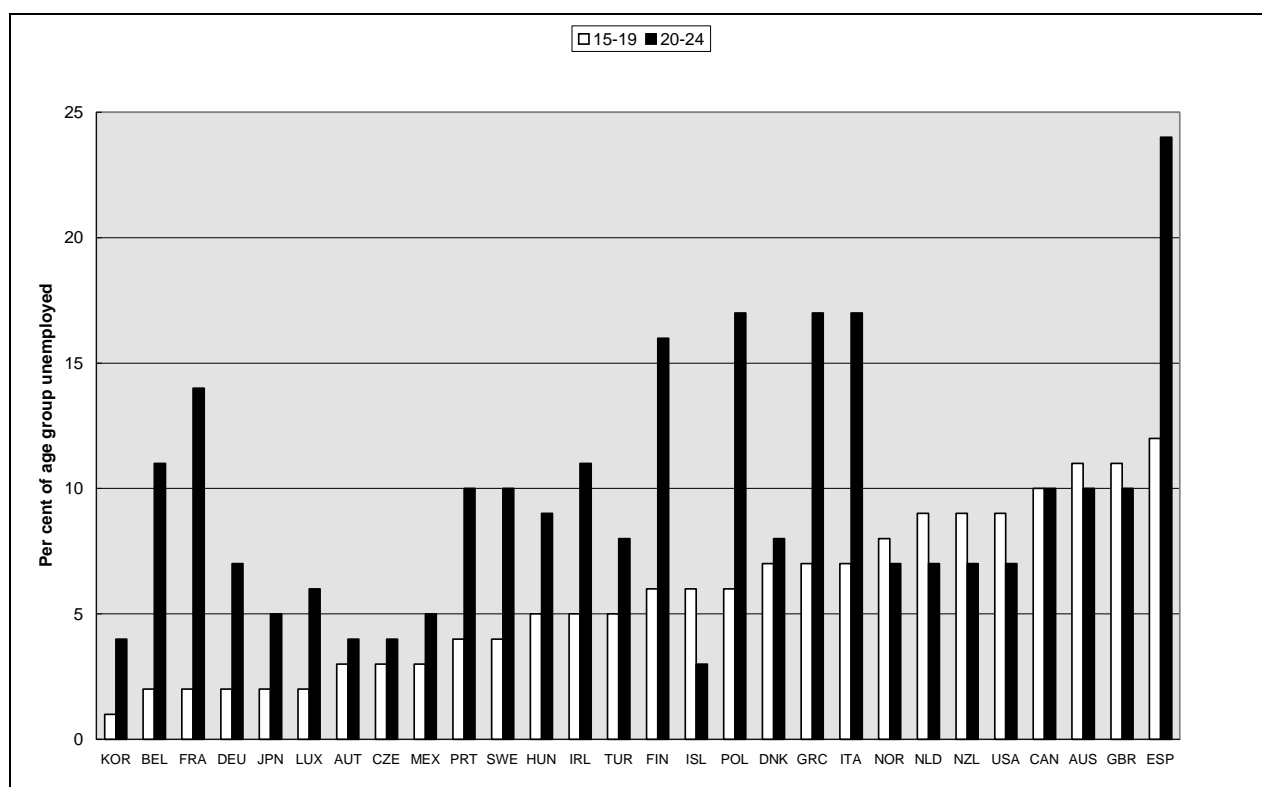
	15-19		20-24	
	1990	1996	1990	1996
Australia				
Labour force participation rate	57	57	84	82
Employment to population ratio	48	46	75	73
Unemployment to population ratio	10	11	9	10
Unemployment rate	17	20	11	12
Austria				
Labour force participation rate	m	41	m	68
Employment to population ratio	m	38	m	64
Unemployment to population ratio	m	3	m	4
Unemployment rate	m	7	m	6
Canada				
Labour force participation rate	58	47	80	76
Employment to population ratio	49	38	71	65
Unemployment to population ratio	8	10	9	10
Unemployment rate	14	20	12	14
Czech Republic¹				
Labour force participation rate	34	26	73	71
Employment to population ratio	32	22	70	68
Unemployment to population ratio	2	3	3	3
Unemployment rate	7	13	4	4
Norway				
Labour force participation rate	44	42	73	72
Employment to population ratio	37	35	66	65
Unemployment to population ratio	7	8	7	7
Unemployment rate	16	18	10	10
Portugal				
Labour force participation rate	46	24	76	63
Employment to population ratio	41	19	68	53
Unemployment to population ratio	5	4	7	10
Unemployment rate	10	18	10	16

Note: For the Czech Republic 1991 data are used rather than 1990. *Source:* OECD labour force database.

- In absolute terms the proportion of young people who do not make a successful transition from initial education to working life appears to be quite small in many Member economies. Even using those standard unemployment measures which exaggerate the scale of the problem by including full-time students who are seeking part-time work, only five per cent or less of all 15-19 year olds are seeking work in half of all OECD Member countries, and in the great majority of Member countries less than ten per cent of the age group appear as unemployed. Only in Australia, Canada, Spain and the United Kingdom are ten per cent or more of this age group unemployed (Table A4.1, Appendix 4). When unemployment to population ratios consider only those teenagers who are not students and who are looking for work, the scale of the problem appears even smaller. Results from an INES Network B

special collection on school-to-work transition are summarised in Appendix 5. 1996 data shows that when unemployment to population ratios are calculated using only non-students, the proportion of 15-19 year olds seeking work falls from an average of 7 per cent to an average of 4 per cent in the 15 countries included in the special collection. In Norway 80 per cent of 16-19 year-olds recorded as unemployed in the labour force survey in 1996 were students seeking part-time work, as were one in four of 20-24 year-olds. However for the small group of young people under the age of 20 who have left education and who are without work the problems of labour market integration tend to be severe. They attract substantial policy attention in most countries, and require significant programme resources if their problems are to be dealt with effectively.

- The scale of the transition problem appears substantially higher among young adults than among teenagers. Across all OECD Members in 1996 an average of six per cent of all 15-19 year olds but ten per cent of 20-24 year olds were seeking work. In half of all OECD countries the proportion of 20-24 year olds looking for work was twice or more the proportion of 15-19 year olds (Figure 1). The scale of these differences draws attention both to the importance of transition policies laying the basis for longer term labour force participation, not just immediate labour market entry, and to issues of the transition from tertiary education to the labour market, not just the transition from secondary education to work. It is clear that both the scale and the nature of young people's transition difficulties, however defined in labour market terms, varies widely among OECD Members. The six countries taking part in the thematic review during 1997 can be used to illustrate these differences. For example Figure 1 shows that whilst unemployment to population ratios among 15-19 year olds are quite similar in Austria, the Czech Republic and Portugal, the proportion of 20-24 year olds seeking work is more than twice as great in Portugal as in Austria and the Czech Republic. As another example, youth to adult unemployment ratios in the six countries range from a high of 3.4 in the case of Norway to a low of 1.4 in the case of Austria.
- Finally, the countries participating in the thematic review in 1997 can be used to illustrate the need for care in using conventional labour market indicators to arrive at conclusions about the scale of the transition difficulties faced by young people. For example in both Australia and Canada it is clear from Appendix 5 that the exclusion of students from the calculation of unemployment to population ratios will halve the estimated proportion of 15-19 year olds looking for work shown in Figure 1, as around 40 per cent or more of all students of that age in these countries are also in the labour market. In the Czech republic however only around three per cent of 15-19 year old students are in the labour market. Therefore estimates of the proportion of all 15-19 year olds looking for work are almost unaffected by the inclusion or exclusion of students.

Figure 1 Unemployment to population ratios, 15-19 year-olds and 20-24 year-olds, 1996

Source: OECD labour force database

Educational participation

112. As with labour market indicators, educational participation rates vary widely among the six countries that participated in the review during 1997. For 15-17 year-olds all, other than in Portugal, are above the OECD average. However for those over the age of 19 participation rates fall below the OECD average in the Czech Republic and Austria. For those in their mid 20s educational participation is well above the OECD average in Norway (Table 3).

113. However of perhaps even greater relevance are differences among the countries in patterns of participation, and differences in the ways in which participation has changed during the 1990s. For example in Australia and Canada over 80 per cent of students of upper secondary age take part in general education programs whose formal links to working life -- through certification arrangements, curriculum content or attendance modes -- are weak. In the other four countries the general education pathway accounts for far fewer upper secondary-aged students: around 60 per cent in the case of Portugal and roughly half in the case of Norway, but only around one in five in Austria and the Czech Republic. While the proportion of students of upper secondary age in general education programs is roughly the same in the latter two countries, in Austria around 40 per cent of students of upper secondary age are in apprenticeships, and around a third are in school-based vocational education courses that require workplace training during summer holidays. In the Czech Republic, on the other side, the 80 per cent of upper secondary students who are in vocational education programmes are all in school-based courses. Appendix 4 contains further details of the participation patterns and educational pathways that apply in the six countries.

Table 3 Total educational participation⁵ rates, Round 1 countries, 1995 (per cent of age group)

	15	16	17	18	19	20	21	22	23	24
Australia	98	96	94	66	53	47	34	26	22	20
Austria	97	94	88	62	36	26	22	18	16	m
Canada	98	94	79	62	53	57	38	32	24	18
Czech Republic	99	97	72	42	26	20	20	18	11	5
Norway	100	95	90	83	49	43	41	38	34	27
Portugal	88	73	73	55	45	44	47	25	22	17
OECD country mean	93	88	79	64	47	39	33	27	21	17

Source: OECD (1997d)

114. All of the countries reviewed in 1997 report that educational participation has risen sharply over the last decade. However, the patterns of this increase have varied markedly. For example:

- In Australia participation has risen in tertiary education among those over the age of 19, but changed little in vocational education and training among those under the age of 20. Participation in general schooling rose steadily until the early 1990s but has since fallen somewhat.
- In Austria there has been a marked fall over the past two decades in the numbers leaving education after the end of compulsory schooling. In post-compulsory education the major change has been a fall in the proportion of young people taking part in apprenticeships, and an increase in the proportion entering those vocational programmes that confer both a workforce qualification and a qualification to enter tertiary education.
- Between 1989 and 1996 the proportion of 15-24 year-old Canadians attending education on a full-time basis increased by nine per cent, reaching 57 per cent in 1996. The increase has been particularly marked for the 20-24 year-old age group, rising by 11 per cent compared to a four per cent rise for 15-19 year-olds.
- The Czech Republic reports substantial increases in educational participation between 1990 and 1996, and these have been particularly sharp at the upper secondary rather than tertiary level. A number of factors contributed to this growth including a broadening of access to upper secondary education, which was associated with an increase in the duration of study programmes; the establishment of private schools which increased educational opportunities; the provision of vocational training now occurring within the education sector which has

5. Unless otherwise indicated, the data on educational participation in this paper conform with the definitions used in the annual series *Education at a Glance, OECD Indicators*. Thus, for example, vocational and technical programmes that have school and work-based components are considered to be part of the education system. However, entirely work-based education and training, for which no formal education authority has responsibility, is not taken into account.

compensated for the closure of many training schools within enterprises; and, more recently, the introduction of compulsory Year 9 in elementary schools.

- In Norway tertiary education participation by 18-21 year-olds doubled between the mid-1980s and the mid-1990s, and rose substantially for all other groups below the age of 30. Following the reforms of upper secondary education that were introduced in 1994, flows between compulsory and upper secondary education have increased, and drop-out rates from upper secondary education appear to have fallen. Associated with these changes have been increases in the proportion of upper secondary students following vocational rather than general education pathways.
- In Portugal between 1990 and 1995 the number of students enrolled in regular secondary education increased by 23 per cent, in professional schools by 32 per cent, and in higher education by 90 per cent. In 1995-96 about 85 per cent of the relevant age group were enrolled in year 9 of basic education, and 55 per cent in Year 12 of secondary education.

Transition processes and problems

115. In many OECD countries young people's transition to work is beginning at a later age, and in some cases it is extending over a longer period. In all but two of 15 countries for which relevant data are available (OECD, 1996b), the age at which the majority of young people were found to be working and no longer enrolled in education rose between 1984 and 1994. For example, in the case of Canada this age was 21 years in 1984, and 23 years in 1994. The average increase was 1.7 years, with the largest rise of 3 years being observed in Australia where there was a marked increase both in educational participation rates and students working part-time over the period. Compared to the mid-1980s, young people's transition to working life in the mid-1990s was increasingly likely to start in their late rather than mid-teens, and to end in their mid to late rather than early 20s. Whereas the transition from initial education to working life has traditionally been seen in many countries as occurring at the end of apprenticeship training or the end of full-time vocational and technical school or college, it now has a far wider interpretation. The pathways available to young people are becoming more varied and longer, with increasing numbers of exit points associated with recognised qualifications.

116. The reasons for the delayed age of entry to full-time work are complex. Young people are staying longer in education because it represents a sound investment in their future⁶. Many countries have made substantial efforts to reform curricula and teaching methods so that schools are more attractive to a wider span of young people. In most countries full-time employment opportunities for the young and low-skilled have fallen rapidly. And systems of financial support are increasingly designed to make education a more attractive financial and lifestyle option than unemployment. Even when young people leave the education system, their entry to employment can be delayed, either by unemployment spells or by choice, and some drop out of the labour market altogether.

117. The lengthening of the transition process has meant that for many young people it is not as sharply defined a process as it used to be. One sign of this is the growing proportion of young people who

6. Estimates of the internal rate of return to education in 1995 are available for four Round 1 countries (OECD, 1997d). For example, the estimated rates of return to completing university education are -- Australia: 10 per cent (males) and 7 per cent (females); Canada: 17 per cent (males) and 29 per cent (females); the Czech Republic: 9 per cent (males) and 7 per cent (females); and Norway: 12 per cent (males) and 13 per cent (females).

are now combining their education with work. This trend has been less pronounced in some countries, but it has been particularly evident in Australia and Canada (OECD, 1996b), where part-time work in association with full-time study is common. It is also common in countries such as Austria that have well developed apprenticeship systems, and where institutional arrangements encourage young adults to combine full-time work with part-time study. The significance of young people having some exposure to paid employment in their teenage years while they are students, whether through apprenticeships or through having part-time jobs, is indicated by data presented in Appendix 4. Countries in which the opportunities to combine work and study are more widely available to 15-19 year-olds generally have a higher proportion of their 20-24 year-old non-students in employment. In those countries in which 15-19 year old students are given few opportunities to combine their studies with work, those 20-24 year-olds who have left education are more likely to be unemployed.

118. Both the duration and the sharpness of the transition process will be affected by a number of factors including: the existence and extent of re-insertion policies and programmes for early school drop outs; requirements to undertake military service; the ease with which income support arrangements including grants, loans and the availability of part-time work assist young adults to return to the education system; the ease with which the young people can travel or indulge other personal interests before finalising their studies or starting family formation; and the existence of links between education and training pathways at different levels which encourage continued participation and progression.

119. A combined outcome of demographic changes, delayed labour force entry and rising demands for skill and qualifications has been that in all OECD countries teenagers' share of total youth employment (under the age of 25) has fallen sharply (OECD, 1996b).

120. The changing context of transition has had a substantial impact upon those who leave school early and without formal qualifications, a theme reflected in all of the countries reviewed in 1997. With rising educational participation the number of early leavers has been reduced, and increasing proportions of them are now at-risk youth who require intensive assistance if they are to be able to reinsert in schooling or obtain stable work. Their difficulties are increased by labour markets in which demands for knowledge, competence and prior work experience are rising, and in which those who cannot provide evidence of these are penalised.

121. A further group with possible transition difficulties may be signalled by the number of those who are not involved either in education or the labour market. In a country such as Norway, where many young people 'drop out' of both education and the labour market in their late teens or early 20s in order to travel or undertake military or community service, the meaning of this indicator can be unclear. But in other cases it can be regarded with greater confidence as a measure of transition difficulties. For example, among 16-19 year-old men in Canada and Portugal, and among 16-19 year-old women in Australia, the number who are neither in education nor in the labour force is close to the number who are unemployed, but these numbers are not routinely shown in labour market statistics. Among 16-19 year-old women in Canada and Portugal it substantially exceeds it (although, more positively, in both countries this proportion has been declining over time). This indicator is frequently twice or more as high among young women as among young men (OECD, 1996c). It is important to note, though, that those young people neither in education nor in the labour market are quite heterogeneous, and it should not be assumed that all of them are experiencing transition difficulties (see Appendix 4).

122. The increasing concentration of young people in lower paid work reflects their increasing participation in part-time work or other forms of insecure and temporary employment contracts. In many cases growth in part-time work is most evident among students for whom it is a way of financing their education and of gaining experience and employer testimonials before entering the labour market on a

full-time basis. For those who have left education, part-time and temporary employment can in some cases be a stepping stone to full-time work. However, it can also be another form of marginalisation, with many young people moving for extended periods between short spells of unemployment, insecure temporary work and labour market programmes. Australian data provides evidence of a substantial group of young people -- around 9 per cent of the cohort -- who are locked into marginal activities which include part-time employment for up to three years. This is a group who, by the age of 19, have not participated in higher education, in apprenticeships or training, have been unemployed for at least a third of their time since leaving school, and are unemployed or in part-time work at the age of 19 (McClelland *et al.*, 1997). Typically they were early school leavers who had performed poorly in school (at least in mathematics). Such teenagers would appear to face considerable difficulties in making a transition to stable full-time employment.

123. The importance of young people's labour market experience immediately after leaving initial education in influencing their longer term employment prospects is emphasised by analysis of longitudinal data from Australia, France, Germany, Ireland and the United States. Irrespective of education or gender, getting a job immediately after leaving initial education is associated with a greatly increased chance of being employed for the bulk of the following four to six years. Not getting a job immediately after leaving initial education leads to cumulatively less time in employment in the following years, even for those with tertiary qualifications, but especially for early school leavers (OECD, 1998b). These results emphasise the importance of young people getting a job early after they leave education, and of early intervention policies to assist them to do so.

5. KEY ISSUES AND POLICY DEVELOPMENTS

5.1 Linking education and the labour market

124. Relating education to the labour market encompasses several key dimensions, given that it is frequently argued that young people struggle in the labour market because education and training are not relevant to actual skill requirements. These dimensions include:

- adjusting the balance between supply and demand;
- ensuring that young people are employable, both at the time that they first enter the labour market and over time;
- ensuring that curricula and qualifications respond to changing work tasks and employment structures; and
- providing young people with experience in real work settings.

Adjusting supply and demand

125. Adjusting labour supply and demand at the system level requires sufficient education and training places to be provided in occupational fields and at skill levels that “correspond” to existing jobs, taking into account foreseeable structural changes in the economy. One issue debated in all the countries reviewed in 1997 is the proportion of young people who actually work in their field of study or training after graduation. Some see the fact that many young people work in areas of activity other than those for which they have been prepared as evidence of education systems that are not sufficiently responsive. But this can also be seen as a sign of the breadth of qualifications, as proof of young people’s flexibility, and as evidence of an effective interface between education and the labour market. Young people may choose to work in another area of activity, or at a lower status level than normally expected, for a variety of reasons, including higher income, employment security, life style preferences and working conditions. It is difficult to find firm evidence to assess these competing arguments. In most countries there are substantial gaps in information on young people’s employment and careers in relation to their field of study or training. However public concern is often most evident when supply falls below demand in particular occupational or industry areas. One common response to such circumstances is to argue for a greater emphasis upon career guidance as a labour market matching tool. In Norway, where imbalances between supply and demand in particular trades are evident on a regional basis, employers have responded by greatly increasing the effort and resources that they devote to career education and guidance. Another response is to provide a highly flexible system, such as the Australian TAFE colleges and Canadian community colleges, through which those in the labour market can develop their skills as employment opportunities and personal aspirations change.

126. In the Czech Republic the privatisation of State enterprises and the opening up of the economy to external competition since 1989 have created demands in new areas of economic life -- for example, banking, communications and tourism -- for which the existing workforce was not well prepared. The education sector, including a large number of new private sector institutions, responded to these changes by introducing courses in new areas and revamping older programmes. In many respects young people have had a competitive advantage in the labour force as they have been relatively well prepared in information technology, languages, and have a more market-oriented outlook. Labour force participation among those aged over 55 has fallen sharply since 1990, and the youth unemployment rate in the Czech Republic is one of the lowest in the OECD area. Concerns were expressed during the review, though, that the particular circumstances favouring youth in the labour market will not last, and that unless stronger linkages are developed between enterprises and the education sector, the continuing relevance of initial education and training to labour market needs is at risk. Indeed, as economic conditions worsened in the Czech Republic during 1997, the number of unemployed young people leapt by 60 per cent, and employers increasingly criticised the initial vocational education system for not producing enough workers with the required skills. Czech survey data on young people's attitudes indicate that school graduates are increasingly voicing similar concerns (Kuchar, 1998). Although the school graduates strongly endorse the value of the general education components of their courses, and the teaching of specialist knowledge in their chosen field; they were critical of the limited preparation that secondary school gave them for working with others, in language skills, or in knowledge of work management and organisation.

127. In Canada long-standing concerns about young people's employability have led to a number of attempts to both more precisely define what is meant by employability, especially through the Conference Board of Canada, and also to build stronger linkages between enterprises and the education sector. In the provinces that were visited as part of the review, Quebec and Nova Scotia, there are a number of such programmes now underway including short spells of work experience and job shadowing for secondary students, co-operative education in the tertiary sector (whereby students spend up to a full year employed by an enterprise during their course), internship, and -- so far to a limited degree -- youth apprenticeships. Despite this considerable activity it seems to represent, as is the common experience in other liberal economies, rapid growth from a fairly low base of interaction between enterprises and educational institutions

128. One major problem in Austria concerns those young people who are least successful in secondary education and who have increasing difficulties finding apprenticeship training places. Their academic achievements, working habits, and preparation for employment are often criticised by employers, and questions are raised in public debate about whether schools are effectively fulfilling their tasks with regard to these young people. Educators, in turn, tend to reply that employers are no longer assuming their traditionally agreed training responsibilities towards the young. The question is where and how appropriate education and training for the least successful learners can and should be provided. A telling comment from Austria, which applies probably even more to the situation in other countries, illustrates the underlying dilemma: "everybody wants to select, nobody wants to train".

129. The debate on the responsiveness or not of education systems towards changing qualification requirements is often simplistic, overlooking important factors such as the labour market arrangements that allow young people to compete effectively for the available jobs. The institutional frameworks that regulate adjustments between labour supply and demand differ strongly across the countries reviewed in 1997. So do the roles played by governments, by organised industry bodies and by the market. As suggested in the country typology in Section 2.3, such differences are due to the ways in which labour markets and education systems are organised and interact with each other. Countries differ in the degree to which the functioning of national (youth) labour markets is based on occupational structures or

determined by combinations of enterprise internal (primary) and external (secondary) labour markets. In countries of Type II as described in Section 2, occupational structures are strong, and young people receive strong signals about the value of certified skills for successful labour market entry. This is the case for example in Austria. Education systems in such countries tend to offer coherent vocational education pathways leading to widely agreed and recognised occupational qualifications.

130. In the second case, of which Canada and Australia are examples among the countries reviewed in 1997, skill requirements tend to be defined more frequently at the enterprise level, and acquired through on-the-job learning and career development within enterprises. In countries where “internal” labour markets are more important than occupational labour markets, young people’s transition from initial education to working life typically occurs in labour markets where employment conditions are more unstable and jobs less well defined. In such countries, the clearest signals as to the skills which young people should have acquired before entering the labour market often relate to transversal “core skills” needed in all jobs, such as general adaptability, problem solving skills and communication skills. Hence education systems in this type of country tend to provide more general and less occupationally specific programmes at the secondary level .

131. Such historical differences in the ways in which education relates to the labour market are still clearly reflected in the countries reviewed in 1997. However, in all countries ongoing economic restructuring and technological change have contributed to the blurring of occupational profiles, be they defined within enterprises or industry wide. This holds especially for the service sector, where many new activities are emerging which are not, or not yet, defined in terms of clear occupational skill profiles. Again, countries differ at least partly in their responses to these ongoing changes. Some concentrate on designing and institutionalising new skill profiles in the form of new or redefined training occupations and vocational certificates. This is done in association with re-designed vocational education pathways and curricula. In the countries reviewed in 1997 this approach can be seen in Australia’s introduction of service sector traineeships in the mid 1980s. It is also evident in Norway’s introduction of apprenticeships for care workers, office assistants and in retailing in association with its 1994 reforms and in the recent introduction of new or reformed training curricula in the Austrian apprenticeship system. This approach is most successful in countries with a tradition of occupational labour markets and with strong and organised industry participation in the design and monitoring of education and training systems.

132. In countries where the connections between work skills and the content of educational programmes and certificates have traditionally been less institutionalised, as in Australia and Canada of the countries reviewed in 1997, there is greater interest in notions such as portfolios and “skill passports”, through which individuals can assemble their own skill profiles while providing common standards against which employers can appreciate the skills of job candidates. At the same time Australia and Canada have started to develop or revive the provision of vocational courses at the upper secondary level. Whilst at times designed as distinct vocational pathways, these courses can also be intended simply as a complement to general education, and provide young people with a level of initial work skills that is insufficient to be certified or recognised for employment purposes.

133. A common feature across the countries reviewed is the gradual devolution of certain planning and monitoring tasks from national levels to sectoral, regional and local levels in order to render education and training provision more immediately responsive to clearly identifiable needs and opportunities for skilled labour market entrants. This trend exists in countries where decision making powers in the education and training area are largely concentrated in the hands of governments and of educational administrations -- Australia, Canada, the Czech Republic and Portugal among the countries reviewed -- as well as in countries like Austria and Norway, where industrial organisations play a more active role.

Ensuring short-term and long-term employability

134. In all countries, ensuring young people's employability involves giving them the competencies that will allow them to find work quickly in the current job market. It also involves providing them with the skills, knowledge and attitudes to cope with unpredictable labour market changes throughout their working lives. This implies the need for combining broad-based learning with the acquisition of specific occupational skills. In Australia and Canada, where this balance has in the past favoured general education, recent policy efforts have aimed to equip young people with more marketable qualifications before they leave initial education. They have also attempted to provide wider opportunities for further learning for those who have left initial education with no or few recognised occupational qualifications. However, which form such qualifications should take, and what should be the shares and combinations of general core skills, employment related key competencies and specific occupational skills respectively, remains a matter of intense debate. So too does the way in which these should be assessed and certified.

135. Although Portugal has also experienced substantial growth in demand for tertiary graduates and a rapid rise in education participation, one of the noteworthy features of youth unemployment in Portugal is that, contrary to the experience in most OECD countries, the unemployment rate for those who have not completed upper secondary education tends to be lower than for those with higher levels of educational attainment. It seems that the Portuguese labour market is still able to absorb young people with low levels of formal qualifications. If anything, concerns about the relevance of initial education and training in Portugal are directed more at the higher education sector than at secondary school. Nevertheless, the Portuguese authorities are properly concerned about the long-term prospects of early school leavers in a dynamic and uncertain economy. The need for lifelong learning implies a broader conception of relevance than the skills needed to be immediately employable.

136. The difficulties underlying this debate are well illustrated by Australia, where vocational education and training providers are committed to awarding credentials based on certified competencies or demonstrations of what students know and are able to do. In the vocational education and training sector course design, curriculum and assessment are all being driven by the industry developed skill standards. However, because the vocational education and training system overlaps the secondary and tertiary sectors, there is tension around the coexistence of these competing systems for recognising and rewarding learning. There has been only limited progress in embodying the key competencies in secondary school programmes. In particular, how such competencies will be assessed and recognised in academic as well as vocational subjects remains an open question. There has been comparatively little take up of the key competencies approach by the university sector, and it is not yet clear what role recognised key competencies play in labour market entry.

137. In countries with stronger traditions of vocational education and training the main questions are how to continuously adjust the structures of supply and demand, and how to continue to attract young people to vocational education and training pathways. Answers to the first question are being sought largely through less centralised and more flexible planning and monitoring of vocational education and training, be it by educational authorities alone or in co-operation with industry bodies. The declining attractiveness of secondary level vocational education and training, on the other hand, has found at least a partial response through the development of "double qualifying pathways" providing qualifications for both work and tertiary education (see Section 3 above and Section 5.2 below). Another response has been to broaden the entry points to vocational education and training, with an associated broadening of curricula so as to cover a wider range of related occupational tasks. This approach is most typically found in the Nordic countries, and specifically in Norway among the countries reviewed in 1997. Here the number of upper secondary tracks at the entry level has been reduced from 109 to 13. These tracks become more specialised in subsequent years, but the number of specialisations and their breadth remains

a matter of debate. This is particularly so among the smaller enterprises, which employ over half of all Norwegian employees, who need to be able to match the skills of young people to the particular circumstances of production in their enterprise.

138. Ensuring longer term employability implies the provision of broad-based and qualifying initial education and training. But it also implies the existence of genuine systems of lifelong learning, providing multiple opportunities to all individuals, independent of the types and levels of their initial educational achievement, to return to organised learning and acquire further recognised skills and competencies required in the labour market. The emergence of flexible and readily accessible learning opportunities for adults, as a component of genuine systems of lifelong learning, appears most advanced in countries with less developed vocational education and training at the secondary level. Among the countries visited in 1997, Australia and Canada, where few young people gain occupational qualifications at the point of labour market entry but many adults participate in further education and training, most clearly reflect this trend.

Ensuring the relevance and quality of qualifications and curricula

139. The relevance and quality of qualifications and curricula is highly dependent upon the involvement of those who are closest to the daily reality of working life. In all the countries reviewed in 1997, employers are involved in designing occupational qualifications, either through advisory committees that assist educational authorities -- as in Australia, Canada and Portugal -- or, as in Austria, through tripartite decision making bodies with strong employer as well as trade union engagement. The intensity and effectiveness of industry involvement depends to a large extent upon the degree of organisation of employers and workers at national, regional and sectoral levels. Industry involvement is expected to ensure that the content of learning, and learning methods as far as apprenticeship countries are concerned, reflect changing work patterns in industry. This involvement can be seen in the design of qualifications and, in apprenticeship countries, in the development of curriculum guidelines or training regulations for enterprises, as well as for educational institutions. This is achieved most successfully when education and training programmes are able to be tailored to local and enterprise needs. However tensions can arise between arguments for national standards and national mobility of labour and the one hand, and on the other the need for innovation and experimentation close to the grass roots, the demands of industries and localities that are less well represented in qualification and curriculum bodies, and the needs of smaller enterprises whose skill needs can sometimes be quite specific. In Norway these tensions can be seen reflected in debates over the number of vocational programs to be offered at each level of the vocational education system and their degree of specificity. In countries in which modular systems are being experimented with, as in Australia, the tension can be seen in debates over the rules governing the sequencing and combination of modules in order for qualifications to be awarded, and in the extent to which modules more specific to the needs of an individual enterprise can be combined with modules of common relevance.

140. Education and training qualifications provide an important part of the bridge to employment. The nature of qualification systems and the extent to which they are built on industrial negotiation and consensus shape to a large extent the links between education and employment, especially for young labour market entrants. The need for qualification frameworks to be truly national in scope is increasingly recognised. For example, developing a national qualifications structure is high on the reform agenda of Australia and Portugal, countries with markedly different institutional arrangements and social contexts.

141. A common objective in the development of national qualifications frameworks is to ensure that (a) qualifications issued by educational institutions at different levels are consistent with each other in the

sense that those awarded at one level are recognised at succeeding levels, and those awarded at the same level are comparable across education providers; (b) qualifications awarded through labour market programmes are similarly internally consistent; (c) qualifications awarded in the education and labour market spheres are coherent with each other; and (d) qualifications are recognised in comparable terms across national geographical regions. The overall intention is to certify what people have actually learned, no matter what the setting, in ways that are meaningful and transparent to educational institutions, employers and young people.

142. Whatever particular model of assessment is chosen, attention will need to be paid to how student learning and competence is recorded and made accessible to potential employers or admissions officers in educational institutions. In a world in which young people are increasingly having a variety of educational and employment experiences, often in quick succession and not always closely related to each other, there is merit in finding ways to progressively add to, and document, young people's achievements in these various settings. One such approach, widely debated in Australia and Canada among the countries reviewed in 1997, is the skills passport, intended to record in a compact way evidence of skill and knowledge development over one's educational and early working career. The basis for this documentation could be achievements at school as well as in work and non-work settings, in order to build a flexible testimony of competence and skills. Such policy initiatives at times sit alongside, and not always easily alongside, other initiatives to create coherent pathways based upon well defined occupational skill requirements and certification arrangements. In the best of worlds, the flexibility of the one would be combined with the certainty of the other.

143. Countries and interest groups within countries have different philosophies with regard to holistic versus modular qualification systems, especially so far as initial education and training is concerned. Countries which have only recently started to introduce national frameworks of vocational qualifications, tend to favour a modular approach which enables the incremental building up of qualification profiles, and ready transferability across occupations. Advocates of holistic qualification frameworks argue that many young people might be encouraged by modular qualification systems to leave initial education and training too early or with inappropriate, ineffective qualification profiles. Qualification frameworks that combine elements of both approaches may become increasingly desirable as transition processes become drawn out: modular certification that builds on an initial, more holistic qualification profile may prove the more useful approach in the long run.

Providing experience in real work settings

144. One of the strongest messages to emerge from the countries reviewed in 1997 is that teaching and learning processes and methods which combine abstract and applied learning are as important as the content of education and training. Cognitive research over the past decades has confirmed that young people learn more effectively -- and are more motivated to learn -- when learning takes place in context and according to inductive approaches -- from concrete problems to abstract theory and back to concrete problem solving (Raizen, 1994). In all countries this observation has been one of the strongest driving forces operating in favour of the introduction of work-based learning within schools, and its pedagogical refinement in enterprises. It has been an important driver of Norway's reforms to its apprenticeship system, of Australia's introduction of upper secondary school-industry programs, and of co-operative education programs in Canada. Educators and trainers in all the countries reviewed have underlined the need for more integrated forms of theoretical and applied learning, and for students at the upper secondary stage to be provided with opportunities to take part in well organised experience and learning in work. But despite this, continuing distinctions between general or "academic" education on the one hand and

“vocational” education on the other, and their mutually isolated certification systems, often make it difficult to introduce truly integrated forms of practical and theoretical learning on a large scale.

145. Combinations of classroom learning and work based learning provide young people with opportunities for applied learning. They also allow young people to establish contacts with employers. These contacts may lead to subsequent employment in the training enterprise, or lead to them being recruited by other employers operating in related areas of economic activity. Such organised forms of experience in work provide genuine bridges for young people from education into employment. From the employers’ perspective, participating in such programmes can let them influence the quality and content of young people’s preparation for working life, as well as help them to screen trainees as possible candidates for future jobs. Figure A4.2 (Appendix 4) suggests that in those countries where structured and organised involvement with work by students is common (Switzerland, Austria, Germany), labour market outcomes for young adults are superior to those observed in countries in which involvement with work by teenage students is rare, such as Italy, Greece, Spain and France.

146. Organised involvement in work for students at the upper secondary level takes many different forms within and across countries, from short ad hoc stays in enterprises to full-fledged apprenticeships. The Canadian efforts to develop co-operative education both at the secondary and the tertiary education level demonstrate the difficulties which educators have to overcome in order to mobilise sufficient numbers of employers. Less than ten per cent of secondary school students in Canada are enrolled in co-operative education (Marquardt, 1998), and only about four per cent in Quebec. Australian experience shows participation levels that are comparable to those for Canada as a whole. However the Australian experience also points to very rapid growth in employer involvement during the 1990s (Ainley and Fleming, 1997), much of this stimulated by government initiatives to encourage local level partnerships.

147. Finally, in countries where organised involvement in work in a form that is clearly related to school based education is not well developed, young people themselves tend increasingly to combine paid work during out of school hours and study, to the extent that part-time jobs are available and school curricula and student work loads allow for such combinations. This is a strong tradition for instance in Canada and Australia, where 38 per cent and 48 per cent of 15-19 year-old students respectively hold a job (Appendix 4, Table A4.3). This form of initial contact with the labour market is a major feature of transition processes in North America and Australia, as well as in some Nordic countries. In the countries reviewed during 1997 it was common for employers to comment on the role played by experience in part-time jobs as a screening and recruitment criterion when hiring out of school youth. Where students spend long hours in work the impact upon school performance can be negative. However young people do appear to benefit from this form of experience when seeking full-time work upon leaving school (Stern et. al., 1990; Johnson and Summers, 1993).

5.2 Pathways and participation: Recent developments and reforms

148. In most of the countries reviewed in 1997, the organisation of the various routes which young people can take through initial education and training into employment has been a major focus of policy concerns and of important reform efforts in recent years. The notion of pathways is of particular value in this context. It allows analysis to take into account the ways in which policy decisions result in changing course and programme structures. It also permits analysis of the ways in which the educational choices of young people lead to changing patterns of participation in different types and levels of education and training (Raffe, 1998). Genuine reform of pathways from education and training to employment is a complex task, requiring alteration to be made not only to educational matters such as curriculum content and certification arrangements, but also to labour market arrangements, including youth and training

wages and employer cost structures. Failure to pay attention to both sides of the equation -- education and the labour market -- can result in attempts at reform leading to minimal change in young people's or employers' behaviour, or even to widening gaps between labour market opportunities and educational attainment and to more young people being excluded from employment. Box 1 gives an example of a successful pathway reform that has paid attention to many of the key factors needed to achieve such changes in behaviour.

149. Policy objectives underlying the reform of educational pathways have not always coincided with young people's decisions, and the pathways that are the major focus of national policy debates are not always those in which the largest number of young people are enrolled. For example in Norway recent reform efforts have focused upon the apprenticeship pathway. Yet in that country equal numbers of young people are located in the school based vocational pathway, and the number in the general education pathway is close to the combined numbers in the two vocational pathways. In spite of significant efforts in all the countries to achieve parity of esteem between general and vocational education, participation in the pathways that confer only a vocational qualification and do not give access to tertiary education is shrinking as students seek to keep their options open for as long as possible. In both Australia and Canada this has occurred over the past 20 years to a point where practically all upper secondary students participate in general education programmes. Despite considerable efforts in recent years to lift the attractiveness of vocational pathways these enrol no more than about ten per cent of upper secondary students in both countries.

150. In order to respond to both economic skill requirements and student aspirations, most OECD countries in recent years have developed a greater variety of more open pathways within and across general and vocational education and training at the upper secondary and tertiary levels. A key objective has been to allow young people to keep their options open for as long as possible, and to make vocational pathways more attractive by enabling them to provide access to tertiary study as well as to the labour market. This development has been evident in countries that have a long tradition of a strong vocational education sector, as well as in systems which are trying to revive and strengthen vocational education in secondary schools from a position in which it had largely disappeared as a separate sector.

“Double qualifying” vocational pathways

151. In countries that have a long tradition of a strong vocational education sector efforts to raise the status of vocational education typically concentrate on the development of highly demanding vocational pathways at the upper secondary level. These confer occupational qualifications at the skilled worker or technician level together with entry level qualifications for tertiary education, and are the so-called “double qualifying” pathways. Participation in such pathways is growing. A successful example of this strategy exists in Austria where five year vocational colleges qualify young people both for technician level occupations and for higher education. Participation in these schools has been growing for many years and is currently close to 25 per cent of the cohort, with their graduates continuing to have very good employment perspectives. A similar development is taking place in the Czech Republic, where in 1996 about 37 per cent of students entering upper secondary education were going to technical schools that also provide access to higher education, compared with 24 per cent in 1989. This growth has been mainly at the expense of the vocational schools which provide only very limited access to tertiary study.

152. Where vocational pathways have not previously provided access to tertiary study, initiatives to create such links can be observed. In Norway, reforms introduced in 1994 now enable students in the vocational pathways to qualify for both work and tertiary study, and participation in vocational pathways has subsequently risen. This is also the aim of the “Berufsreifeprüfung” recently introduced in Austria in

order to build a bridge to tertiary education for people going through the apprenticeship system and equivalent school based vocational education. As in Norway, overall participation rates in technical and vocational education in Austria have been rising, due to increasing participation in the double qualifying pathway. This contrasts with the experience of other countries, not included in the 1997 reviews, where the introduction of a vocational baccalaureate has had more ambiguous consequences. In France, for instance, the *bac pro* has attracted a growing proportion of VOTEC students, but overall participation in vocational education has continued to decrease.

Box 1: Strengthening the Apprenticeship Pathway -- The Example of Norway

Prior to the mid 1990s apprenticeship in Norway was largely a pathway entered by those in their 20s who had left school and gained some experience in the workforce. Few trade certificates were awarded to those who had entered an apprenticeship during upper secondary school, and few young people became apprentices. Reforms introduced in 1994 were designed to: increase young people's access to apprenticeship; increase the total number of apprenticeships; and raise the quality of apprenticeship training. To this end:

- A new pathway through upper secondary education was introduced, through which students undertake two years of school based study followed by two years of employment and training within an enterprise (the 2+ apprenticeship system) in order to become a qualified worker.
- New apprenticeships, following the new model, were created in white collar and service occupations such as office work, care worker and retailing.
- The content of apprenticeships was broadened. The initial year is now offered within ten broad vocational fields; far fewer narrow specialisations than previously are available in later years; and the general education content of the first two years has been increased.
- A new route to tertiary education has been opened up, allowing those who have completed an apprenticeship to qualify for tertiary education after completing a special six months general education course.
- The wages of apprentices were reduced from roughly 80 per cent of those of a qualified worker to 50 per cent.
- A subsidy of NOK 60,000, roughly equal to the cost of educating a student in upper secondary school for one year, is now paid to employers who take on an apprentice who is an upper secondary student. In addition they qualify for a completion bonus of NOK 15,000 if the apprentice passes the final trade test. Together these payments can reduce the direct wage costs to the employer of taking on an apprentice by close to 50 per cent. Apprentices who are not upper secondary students attract subsidies of only half this level.
- Small and medium sized firms are co-operating at a regional level to create local organisations which employ staff who can to assist them with the recruitment of apprentices and with on-the-job training.
- The social partners have actively promoted apprenticeships for young people to their members.

In 1996, the first year in which students under the reforms competed for apprenticeships, the number of new apprenticeship contracts increased by 22 per cent on the previous year, and 36 per cent of apprentices were under 20 years of age, compared to only 21 per cent the year before.

153. It is worth noting that double qualifying pathways through upper secondary education tend to be generally longer than pathways which lead either to tertiary education or to employment. For example in Austria, where such courses have operated successfully for many years, the programmes last for a year

more than regular secondary education, and involve students in extensive contact with enterprises through summer internships and enterprise-based project work. In Norway, where the 1994 reforms created new opportunities for vocational-track students to enter higher education, such students need to engage in an extra six months of school study in order to sufficiently lift their general education skills and knowledge for entry to tertiary education. This and the highly demanding nature of double qualifying pathways means that they are in effect selective -- they invariably leave behind an increasingly stigmatised group of vocational students and apprentices who are perceived to be low-achievers.

Relating general education pathways to work

154. In countries with a less developed vocational education sector many young people leave initial education ill prepared for the labour market, even if they have completed the upper secondary stage. Two options are available to address this issue. One is to (re-) introduce an earlier bifurcation between the general and vocational pathways, to provide broad bridges between the two, and to ensure that both provide qualifications that lead to tertiary study. This is an option that has been examined in the Canadian province of Quebec. Other approaches to creating better linkages between the general education pathway and employment, currently being attempted in Australia as well as in other Anglo-Saxon countries, include:

- the introduction of vocational education content into the general education pathway;
- the more systematic assessment and certification of “key” or “core” employment related competencies and skills wherever they are acquired; and
- making wider use of the community and of workplaces to illustrate and make concrete the relevance of general education.

155. The attempt to lift the vocational content of general education programmes in countries where vocational pathways are small raises questions about the role of the vocational content. Is it to deliver an occupational qualification that provides direct entry to the labour market? Is it to prepare students for entry to tertiary studies that will provide such a qualification? Or is it to motivate students both to continue at school and to see the choice of a vocational pathway, rather than extended general education, as a desirable post-secondary option? Where the general education pathway is long and chosen by the majority of students, and has few recognised exit points, the introduction of vocational education content can be a strategy for preventing parts of it from becoming a dead end for lower achievers, and for reducing failure at school. But if the vocational content is not designed to provide an employment qualification, some means of capturing its benefits through ensuring strong links into further education and training need to be found. It is for this reason that there are initiatives in some Australian States and Canadian Provinces to introduce double qualifying pathways through upper secondary education which can lead both to the labour market and to further study.

156. The introduction of vocational education content into the general education pathway also raises issues of depth and rigour. If the purpose of the vocational content is to provide an employment qualification, greater depth and rigour is required of it than if its purpose is to motivate or to link to further study. But in turn this can raise dilemmas if, as a result, the possibility of entry to tertiary study becomes compromised. One option in dealing with these dilemmas is to increase the vocational content of the general education pathway, and to the extent that this does not compromise opportunities for entry to tertiary study, to grant partial qualifications on the basis of such vocational studies, and to put in place

arrangements that allow and encourage the gap between partial and full qualifications to be bridged at a later stage.

157. One general observation about the pathway reforms that many countries have attempted is that they tend to be more successful in building bridges to general education for those who commence in vocational education than in strengthening the connection between general education and employment. Double qualifying pathways show concrete success in broadening and opening up vocational pathways, yet there are few signs of comparable success of reforms within general education pathways. More commonly those who fail to achieve within either the general education pathway or double qualifying pathways are given opportunities to “drop down” to apprenticeship or other pathways as an alternative to dropping out of education completely

New pathways in tertiary education

158. The opening up of new pathways is evident also in tertiary education (OECD, 1998a). Shorter and more work-oriented tertiary studies have resulted from the development of Fachhochschulen in German-speaking countries, the higher professional schools in the Czech Republic, the polytechnic institutions in Portugal, and similar short-cycle tertiary institutions in many other countries. These types of institutions are generally more accessible to graduates from vocational secondary education, although they also attract increasing numbers of graduates from general secondary education. Graduates from such institutions seem generally to do well in the labour market compared to university graduates. The development of new short-cycle tertiary courses is not confined to new types of institutions. In each of the countries reviewed in 1997 there are many instances of universities developing new and more flexible types of programmes to better prepare students for the labour market.

159. An important consideration in the development of new short-cycle tertiary programmes relates to the connections that are possible between them and more traditional university courses. Through mechanisms of credit transfer and recognition of prior learning Australia, for example, has developed considerable experience in how to facilitate student movement in both directions: between technical institutions that provide certificate and diploma programmes and universities; and vice versa. One effect of this increased flow of students in both directions (with the numbers moving from university to technical institutions actually being larger than the reverse) is that formal collaborative arrangements between institutions in the different sectors are increasing and, from the students’ perspective, post-school education is becoming more permeable and seamless. Examples are emerging of joint programmes that offer double qualifications in the one industry or occupational area: one from a technical institute that has a stronger practical and applied focus and which gives substantial credit towards a university qualification; and the other from a university and which gives a stronger conceptual and theoretical emphasis.

How broad should pathways be?

160. “Pathways engineering” such as that described above raises issues about the most appropriate width of pathways, and about the desirable sequencing and combination of general and vocational education. Broader pathways, based upon wider occupational definitions and containing wider general education content, can provide better preparation for flexibility later on. If fewer specialisations are available within a pathway, then it is more likely that schools, colleges or regions can offer the full range of programmes, a concern in countries such as Norway and the Czech Republic where average school sizes are small. Broader vocational pathways can also more readily be related to general education

subjects. Broader combinations of content, with courses built around related families or clusters of occupations, can assist students whose career interests are still forming. And broader courses of study can reduce the need for students to move from one narrow pathway or institution to another as their interests develop or change.

161. On the other hand, narrower pathways, by allowing studies in any one area to be undertaken at a greater depth, can produce graduates who are more immediately attractive to employers, and particularly to small enterprises who play an important role in labour markets such as those in Austria, Portugal and Norway. This is likely to increase employers' willingness to offer jobs to young people after they graduate. The existing teaching force may be more likely to be qualified to teach in specialised areas, and to have difficulty teaching wider combinations of subjects. And for students who have decided upon an occupation or career, specialising in that can be more satisfying than a broader approach to the curriculum -- provided that opportunities for further education and training are available to them later on.

Some conclusions

162. Information on the success or otherwise of people who follow different sorts of pathways influences the current generation of young people's expectations and educational choices. As such, choices are often made in reference to transition and career patterns of the past. At the same time, the choices made now help remodel the education and transition systems of the future. This puts a premium on high quality information and guidance systems. It also puts a premium on individual institutions, and education sectors, being better informed about the varied destinations of their former students. A general impression from the country visits is that the supply of information about student movements through new pathways and into further study or the workforce has lagged considerably behind developments in policy and practice.

163. Analysis of pathways, and of their relationship to education and labour market outcomes (OECD, 1996c; OECD, 1998c) suggests the following lessons:

- offering a range of pathways suited to differing interests and needs at the end of compulsory education encourages a higher proportion of young people to remain in education and training;
- ensuring that vocational pathways can qualify young people for both work and tertiary study increases their attractiveness;
- ensuring broad pathways with multiple exit points increases their attractiveness, as does ensuring that there are opportunities for young people to cross from one pathway to another with minimal loss of time; and
- vocational pathways that involve strong links to employers and enterprises result in better immediate labour market outcomes for young people than do those with weak links.

164. Besides the need for broadening and connecting initial education and training pathways at the upper secondary and tertiary levels there is a need to open up initial education and training programmes and qualifications to adult learners. This requires the creation of unified qualification frameworks spanning secondary, tertiary and adult education, both general and vocational. The need for such unified lifelong learning systems is underlined by the experience of many young people during the transition stage. Instead of "going back" to initial education it would be better for them to see themselves as

“moving on” to further education, while working or not. This would require qualifications acquired at any level to carry value in the labour market and at the same time to allow access to continued learning and qualifications.

5.3 Preventing and addressing risk in the transition stage

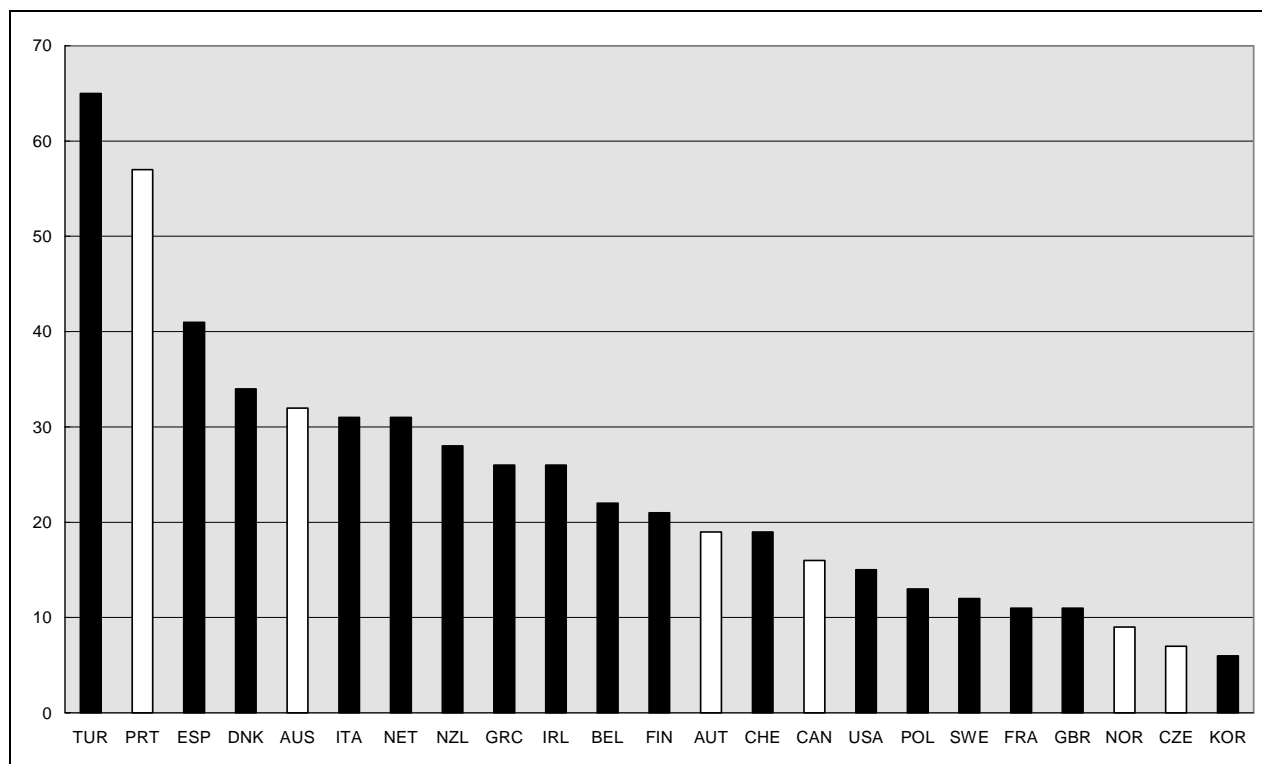
How many are at risk?

165. The number of those who leave education early has been declining in most countries over the past two decades. It remains substantial in many countries, although there is wide variation. On average almost one in four 20-24 year-olds lack qualifications beyond the end of compulsory schooling -- ranging from over one in two in Portugal and Turkey to less than one in ten in Norway, the Czech Republic and Korea (Figure 2). Nevertheless in all countries reviewed in 1997 those who do not complete upper secondary education or apprenticeship, and who lack qualifications that gain them access to a job or an apprenticeship place, are among the major preoccupations of policy makers, even in those countries such as Norway and Austria where their number is very small.

Disadvantage can be systemic

166. In the great majority of OECD countries those who leave school early are among those most at risk in the labour market. In some of the countries reviewed in 1997, notably Australia and Canada, there is concern that young men are increasingly likely to be over-represented in this group. Employers use qualifications as well as work experience to select workers. This puts early school leavers at a double disadvantage when they are looking for work. These young people are particularly vulnerable to repeated spells of unemployment and to long term unemployment. They tend to spend a relatively long time looking for a first job. When they find work, they are likely to end up in poor quality jobs. Low-pay jobs can be a stepping stone to better employment. But there is evidence that they are often only temporary, and that the unqualified young person soon returns to the unemployment pool. The experience of the countries reviewed in 1997 reflects these trends. For example Figure 3 shows that in all except Portugal, unemployment rates among 20-24 year-olds who have not completed upper secondary education are roughly twice those observed among 20-24 year olds who have completed upper secondary education but not tertiary education. (Portugal shares the tendency for unemployment rates to be lower among early leavers than among those who have completed upper secondary education with other Mediterranean countries such as Greece, Italy and Spain).

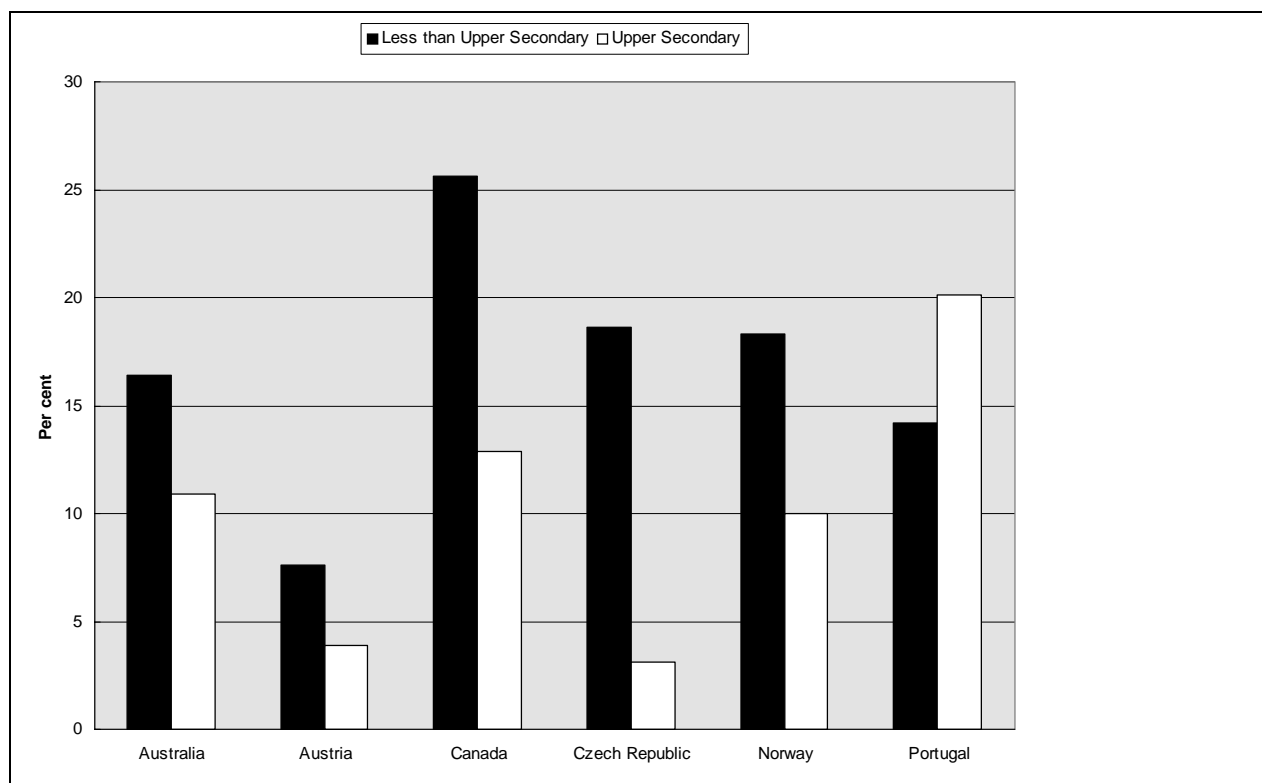
Figure 2 Per cent of 20-24 year olds whose highest level of educational attainment is lower secondary school, 1995



Source: OECD education database

167. Strategies tailored to the needs of individuals are often the most successful both in preventative and remedial programmes for young people at risk of marginalisation. However exclusion from education, training and employment is often systemic. Early school leavers and other at-risk young people are often drawn disproportionately from particular ethnic, social, regional and gender groups. In most countries there is continuing inequality in educational attainment by social background. Longitudinal data in Australia and the United States indicate that in both countries drop-out rates are substantially higher for students from poor families, for rural students, for those attending public or government schools, and for those with low achievement levels (Rumberger and Lamb, 1998). These disadvantages are cumulative, especially in the United States. In both countries, those who do not complete high school find it harder to get work and to get into further education and training than do those who finish high school. But in the United States their difficulties are substantially greater, even though in that country opportunities for school drop outs to complete high school or its equivalent later on are greater .

168. Significant regional differences in educational attainment and in access to the labour market exist both in large countries such as Australia and Canada and in smaller European countries. Even in small countries, people can be geographically isolated. The barriers to participation in education, training and employment are even greater where regions suffer from marked economic disadvantage. In Portugal, for example, 9th-grade drop-out rates are over twice as high in the poorer regions as they are in the capital Lisbon.

Figure 3 Unemployment rates by highest level of educational attainment, 20-24 year-olds, 1995

Source: OECD (1997a)

169. To widen opportunities in isolated areas, countries are making greater use of distance education, as well as subsidising students to attend programmes away from their homes, thus substantially reducing their travelling costs. There are also concerted efforts in all the countries reviewed in 1997 to involve local enterprises, community groups and government agencies in economic regeneration at regional level. A common aim is to prevent large numbers of young people from becoming marginalised in regions where intense economic restructuring is taking place. A key strategy common to all is to lift the quality of education and training, and to more closely integrate it with local economic life, in order to attract investment and increase high-skill employment (OECD, 1997e).

Emphasising prevention

170. Because early leavers are at such a disadvantage in the labour market the strongest policy emphasis should be on prevention. The key preventative strategy is to ensure that when they leave initial education and training, young people have the skills, knowledge and attitudes necessary to be productive and employable workers. This is the bedrock upon which all other policies depend.

171. Many young people do not want or are unable to continue in full-time education after the end of compulsory schooling. Research from Australia indicates that the reasons for early school leaving there seem to relate as much to the rejection of school atmosphere, curriculum and pedagogy as to financial problems as such (Dwyer, 1996). The Norwegian experience shows that a wide range of approaches within the school is needed to address these problems: appropriate pedagogy for different groups of adolescents; well equipped and attentive guidance services; and support for those who are at risk of

dropping out of school. Individualised measures for those who are at risk of leaving early can be resource intensive. However the Norwegian and Austrian experiences also show that there is no inevitability about the numbers of early school leavers, and that chances for successful intervention seem to be higher while young people are still in school.

Strategies to assist those who are at risk

172. However great the efforts are that are made in particular countries, and no matter how favourable their labour market situations, the reality is that a minority of young people still leave education with very limited skills. There are good reasons for attention to focus on at-risk teenagers. However the employment situation of the 20 to 24 years old is often worse than that of younger people (Figure 1). The most appropriate response to at-risk teenagers is clearly to keep them in school (or apprenticeship), or to reintegrate them in education or training as rapidly as possible. The measures required for 20-24 year-olds need to be different. They need to concentrate on getting these young people into stable work, and at the same time raising their skills, assisted by subsidies or tax relief for employers who provide jobs that are associated with training. For young adults it is also essential that the balance of incentives and penalties in unemployment and welfare support encourages them to take part in employment and training measures.

173. Therefore, a comprehensive policy framework for transition has to include labour market measures for those who have left initial education and training, as well as measures for those who are still in upper secondary education. It needs to contain measures that are appropriate for young adults and for teenagers respectively. A comprehensive framework needs to pay attention to the question of youth wage costs and their impact on employment, and to the role of welfare systems in providing incentives for young people to take part in training programmes and to continue to look for work.

174. As youth unemployment started to rise from the mid-1970s, countries developed active labour market programmes, mainly in the form of public employment schemes. Most of these did not include education and training, and many young people and potential employers saw them as essentially “make-work” activities. At the same time, other programmes, mainly under the responsibility of education ministries and often involving financial support, encouraged the return of drop-outs to school at least up to the end of compulsory education. Over time labour market programmes for young people have become a permanent feature of education and employment systems in all OECD countries. They have evolved in character from a concentration on short-term employment with little or no training in the public sector towards training programmes and subsidised jobs coupled with training in the private sector, and towards more comprehensive, individually tailored and integrated packages of assistance, of which employment and training are components.

175. Evaluations of the impact of youth labour market programmes have generally produced disappointing results (OECD, 1996d). In particular, training programmes for the young unemployed do not seem to have been particularly effective in getting them into stable employment. Nevertheless, the experiences of the countries reviewed in 1997 indicate that universal judgements should not be made. In each country there are examples of programmes and strategies that have made a difference. The 1997 reviews also emphasise the importance of seeing these programmes as part of an integrated approach to transition, rather than in isolation.

176. To help identify the characteristics of labour market measures that have had success in helping young people find stable employment, three papers were commissioned to provide detailed reviews of

experiences in three quite different national contexts: Austria (Lassnigg, 1998); Canada (Marquardt, 1998); and the Nordic countries (Hummeluhr, 1997).

Labour market programs in Austria

177. Countries with extensive systems of employer-led vocational education and training have generally been successful in keeping the number of young people without qualifications very low, and in maintaining youth unemployment rates that are close to adult ones. Austria typifies this experience. At the age of 16 only about three per cent of young people are not involved in education or training; and only two per cent of 15-19 year-old Austrians are unemployed and not studying. Looking at 15-24 year olds, the youth to adult unemployment ratio in Austria is 1.4, one of the lowest among OECD countries.

178. The Austrian approach to labour market programmes needs to be viewed in context. The main emphasis in Austrian policy is to make sure that young people gain a recognised vocational qualification before they leave initial education and training. It is strongly preventative and highly inclusive. A large part of its success results from keeping the numbers of those “at-risk” low. Resources can therefore be focused more intensively on smaller numbers of young people.

179. Overall, about 20 per cent of the 1997 budget for active labour market policy was allocated for youth measures, a substantial rise over earlier years and a reflection of the concerns now held about youth labour market difficulties. About one third of the resources for current youth labour market measures in Austria are allocated to the promotion of apprenticeship, and the remaining two thirds for counselling, vocational orientation, and transition-measures including employment promotion measures, and qualification. Thus apprenticeship is central both to Austria’s preventative strategies and to its remedial strategies. Each of the regional divisions of the employment service at the Länder-level has developed a programme of youth measures based on an assessment of the labour market situation for apprenticeships. Besides the continuation of the ongoing programmes for transition, qualification, and employment measures for youth, a recent Austrian package (outlined in Box 2) has included a concentration on the acquisition of training opportunities for apprentices (essentially through subsidies) and the promotion of apprenticeships in the private and the public sectors, provision of a special programme for the promotion of additional apprenticeship opportunities in training workshops, and widening of the activities for vocational orientation and for the furthering of employability and trainability.

180. The impact of the various youth labour market measures in Austria is not clear. Although evaluation efforts have been steadily reinforced, it is hard to develop a clear picture about the impact of youth labour market policy (Lassnigg, 1998). Reform of the administration of labour market measures has emphasised a management-by-objectives-strategy. However, the unprecedented increase in recent years in the level and pace of youth labour market programmes has placed normal administrative and accountability mechanisms under great pressure. Given the importance of apprenticeships in the overall Austrian approach, there seems to be a particular need to more systematically investigate the causes for the declining appeal of apprenticeship, especially in terms of its adequacy for the new occupational areas that are now emerging, and ways to make apprenticeship training consistent with a lifelong learning approach. The introduction of the Berufreifeprüfung providing access to tertiary education for former apprentices is a first step in this direction.

Box 2: Active Labour Market Policy for Youth in Austria in 1996-97

Permanent Services

(1) Information and Counselling

In addition to the regular services of individually provided information and career counselling by schools and the employment service a framework of special Centres for Vocational Information ("*Berufsinformationszentren*" - *BIZ*) have been set up during the last decade which are an important element of the outreach activities of the employment service.

Labour Market Programmes

(2) Specialised programmes for vocational information and motivation, and organised job-finding activities

These programmes promote the development of a personal orientation towards working life and appropriate occupational choices, and improve the skills and experience needed to find a job.

(3) Provision of basic skills and qualifications, work place training, and qualification programmes for the low skilled

These programmes provide the basic skills required for access to further education and training, e.g. the completion of compulsory schooling, basic language skills, entry qualifications for low or semi-skilled jobs.

(4) Acquisition of an apprenticeship certificate and of higher level qualifications

These programmes include various forms of promotion of apprenticeship qualifications (e.g., subsidies to apprentices or enterprises, external short-form apprenticeship programmes), and the acquisition of qualifications above that level (e.g., specialised qualifications for clerical occupations, application of the information technologies).

The measures for the promotion of apprenticeship had declined during the 1980's, and were started again in 1996, following a reversal in the relationship between supply of and demand for training places. The criteria for subsidies include the following characteristics: disadvantaged youth (disabled, social disorder, lack of educational credentials, dismissed apprentices, unemployment duration of 4 months or more), drop-outs from education at age 20, provision of additional training (e.g., training modules in another enterprise, more than one apprenticeship trade, training in broad profiles).

(5) Remedial work place training, socio-economic enterprises

These programmes provide the training of basic work-related habits for more severely disadvantaged young people

(6) Special measures for female youth

These programmes are projected to broaden the vocational opportunities of young women, especially in apprenticeship (e.g., subsidies for female apprentices in occupations where the share of women is less than the average, currently approximately 40%).

Source: Austrian Background Report.

Labour market programs in Canada

181. In Canada, a country which lacks a strong youth apprenticeship system or extensive school-based vocational preparation, considerable experience has been accumulated with labour market programmes that are more remedial in character than those in Austria, and which try to improve the employability of young people after they have left initial education and training.

182. In general, many demand-side labour-market measures that used to be central to government strategies -- for example, direct job creation, wage subsidies, and tax incentives to employers -- have declined in relation to measures designed to improve the skills and overall employability of Canadian workers (Marquardt, 1998). This is true for all age groups, but it is especially so in the case of youth. More recently, governments in Canada have increasingly favoured measures that attempt to tip the balance back towards a more preventative approach, by encouraging further formal education or facilitating school-to-work transitions. Canadian governments have developed a variety of programmes to support youth at risk of dropping out to stay in school, as well as measures such as co-operative education, internships, and youth apprenticeship programmes that allow students to complete secondary school while also gaining workplace experience.

183. A supply-side emphasis has also permeated thinking about the design of active labour market policies in Canada. In the past, direct job creation was viewed as a form of unemployment relief, a temporary measure to provide work during a period of difficulty.

184. Canada's Opportunities for Youth programme of the 1970s is a good example. It was developed as the crest of the baby boom generation was coming of age and entering the labour market. The programme funded initiatives proposed by individuals or groups of youth to carry out socially-useful tasks, everything from environmental clean-up to travelling theatre groups. This approach was criticised for "warehousing" unemployed youth without creating permanent jobs, thereby creating dependency on continuing government funding. It was closed before the end of the decade despite the increasing problem of youth unemployment at the time. Although there are a few exceptions, most youth employment programmes are now designed with supply-side objectives in mind, that is, to improve employability.

185. As an example in one of the western provinces of Canada, the Saskatchewan Job Start/Future Skills programme links youth to employers and provides on-the-job training for new full-time positions in the workplace. Programme funds cover up to 50 per cent of approved training costs to a maximum of \$5,000 per trainee. Training must lead to full-time employment with the sponsoring employer and must be recognised by a public institution or industry sector to ensure worker mobility. An evaluation released in September 1996 found that 76 per cent of work-based trainees were still employed at the time of the survey and 84 per cent of employers surveyed indicated that they had not been able to find the workers they needed prior to getting involved in the programme. The programme has enabled the province to assist in developing skilled workers for a range of new industries as well as assisting small and rural businesses to hire and train the workers they need.

186. Another illustration of a supply-side approach comes from the province of British Columbia. Its Workplace Based Training programme provides youth who would otherwise receive income assistance with full-time employment, enabling them to acquire portable work skills. The programme develops skills needed for long term employability while giving employers an incentive, in the form of training credits, to hire and train people on income assistance. Around 85 per cent of clients remain employed following the 12-month contract.

187. Canadian approaches to labour market assistance increasingly recognise that young people are not a homogeneous group, and all jurisdictions now offer a range of programmes, either those that address one particular youth problem such as the need for start-up capital of unemployed youth who wish to start their own business, or multi-faceted programmes that allow a wide variety of different forms of assistance to be provided to youth who face multiple barriers to employment. For example, in the Canadian province of Alberta Youth Employment Services Centres are open to all youth in the areas where they are located. They offer a package of services tailored to the individual. These may include individual career and employment counselling, labour market information, group and individual job search service, financial

assistance for training and education, training incentives for employers, and workshops designed to meet specific needs, such as life skills training.

188. Evaluation of the Canadian experience suggests that the key success factor in labour market training programmes is strong links to the local labour market. Programmes that emphasise on-the-job training with real employers, as opposed to classroom training unrelated to a particular workplace, appear to generate more successful outcomes. It has also been found, not surprisingly, that programmes are more effective when they train participants for skills that are in demand (Marquardt, 1998). Training programmes are most effective when combined with other services such as counselling, job search assistance, and subsidised work experience and on-the-job training. Shorter, intensive programmes seem to be more effective, largely because the attrition rates are lower. Those who face the greatest obstacles to labour market success gain the least benefit from training programmes, but evaluations suggest that even those who are designated “severely employment disadvantaged” achieve positive short-term advantages.

Labour market programs in the Czech Republic and Portugal

189. Both Austria and Canada have long experience with labour market programmes for youth. Their experience is worth contrasting with that of the Czech Republic and Portugal, where recent dramatic political and economic changes have forced the development not just of new policy frameworks, but also of the infrastructure to implement and evaluate labour market measures.

190. In the Czech Republic, the markedly different economic and social conditions since 1989 have forced the development of active labour market programmes virtually from scratch. As in Austria, about 20 per cent of the budget for active labour market programmes in the Czech Republic is now targeted towards young people, especially those who lack qualifications. A range of active employment policy instruments have been created. These include support for job creation in the public sector, wage subsidies for private sector jobs, retraining, and partial subsidies to prevent temporary lay-offs in companies undergoing restructuring. Public resources are targeted towards providing differentiated support for the most disadvantaged job seekers and economically depressed regions and, in the case of retraining, to programmes judged to have at least a 70 per cent success rate in job placement. Staff in regional labour offices are able to devote a relatively high proportion of their time to helping the unemployed and to monitoring their job search. As a result of this, and of comparatively low levels of unemployment, the Czech Republic was able to achieve a more effective enforcement of job search requirements before paying unemployment benefits than occurs in many other countries. As in other countries one clear finding from evaluations carried out to date is that unemployed young people under the age of 18 years require specially tailored programmes that foster close relationships with local employers (see Box 3). When such young people are placed in general labour market programmes they often have high drop-out rates, and it is difficult to stimulate employer interest in them.

Box 3: Retraining the Young Unemployed in the Czech Republic

The Bridge project for 15-18 year-olds originated in the provincial centre of Most under the auspices of the regional office of the Ministry of Labour and Social Affairs. It provides intensive support for young people who have only basic (9 years) or incomplete basic education through a mix of counselling, training and job placement. The selection of the young unemployed for participation in the programme follows information sessions with their families. About 50 young people undertake each programme, which lasts for 4.5 months. Retraining is offered in a number of fields: woodwork; metalwork; clerical work; bricklaying; and interior decoration. The basic instruction in these areas is offered at a local technical-vocational school, and is organised around small groups of about six young people with one teacher or tutor in each field. The programme also has access to a farm with residential facilities; this was seen to be particularly important as a “half-way” house for those young people who were unsure of which field they wanted to specialise in, or who did not want to obtain formal qualifications.

The first week in the programme is spent in “job sampling”, whereby the young people spend one day in a variety of different workplaces to help clarify their interests. All of the second week is spent in a workplace in their preferred field, although the field can be subsequently changed. After confirmation of their vocational interest, vocational training is then provided for 3.5 months, including one month full-time with an employer. The training comprises four days per week at the educational institutions, and one day per week with the teacher that concentrates on personal development and assistance with job search skills. Near the end of this period, all participants take a two-day pleasure trip to a resort. This is seen to be important as a reward for their efforts, and as a way of boosting the profile of the programme. The completion of the programme is recognised in an award ceremony in which the young people obtain a certificate of basic vocational qualifications. They are then offered an internship with an employer; if this does not prove successful, the young people return to the labour office for more guidance and training. After having conducted 4 rounds of the programme since 1994, the labour office reported that of the 169 trainees concerned, 143 had successfully completed the programme and, of these, 103 were employed at the time of the review although not all with the original employer). A further 14 went on to enrol in apprentice school, and 26 are registered again with the labour office.

The placement rate is relatively high for projects of this sort. Reasons for the success of the Bridge programme seem to be:

- collaboration between educational and labour market authorities;
- small group sizes;
- carefully selected teachers who not only have strong vocational skills, but also have the personal qualities to work productively with disadvantaged young people;
- detailed curriculum and support materials;
- a full-time co-ordinator who works closely with the teachers and provides liaison with local employers, including quick follow-up of any difficulties in the workplace phase, including placement of the young people with another employer if appropriate; and
- the positive image that the programme now enjoys in the local community.

191. The recent phenomenon of high rates of unemployment among tertiary graduates in Portugal has prompted strategies to get unemployed graduates into jobs. The AGIR programme, includes a strand to place young unemployed graduates in the job market. Over the course of eight months it involves one day per week of structured lessons in project management, time management, communication, and decision making. These classes are intended to add a sharper vocational edge to the university qualifications held by participants. The other four days per week are spent in subsidised employment with carefully selected local employers. The employers are screened to ensure that genuinely new positions have been created and that no job displacement occurs. The employer has to agree to provide a minimum of 12 months employment at regular wage rates after the programme concludes. The enterprise also has to provide structured workplace supervision and training for the young graduate. In selecting employers preference is given to enterprises that have had little experience of employing graduates in the past, so as to increase

their awareness of the value of highly qualified labour. On average about 50 per cent of the young graduates in the AGIR programme have full-time jobs a year after the programme concludes. Important factors in the programme's operation are the chance it provides for both the young graduate and the enterprise to learn more about each other, the combination of theoretical and practical training, and the on-going individualised support provided to both the graduates and employers.

The Nordic experience with the "Youth Guarantee"

192. Perhaps the most comprehensive approach developed so far for trying to improve young people's transition by integrating labour market measures with those in the education and social welfare domains is the "youth guarantee" concept of the Nordic countries. Given the continuing influence of this idea on policy development in many Member countries, it is important to learn from the 20 years of experience that the Nordic countries have had in trying to make it work in practice. To this end, a recent paper by Hummeluhr (1997) analyses how the youth guarantee has evolved in the Nordic countries, and how effective it is judged to have been.

193. The initial aims of the concept were to avoid young people's marginalisation and to integrate them into the labour market. They were stimulated by the first wave of high youth unemployment in the mid-1970s. The measures taken in the late 1970s were typically a combination of temporary jobs, short-term labour market training, and a promise that all young people under the age of 19 would find a study place in an upper secondary school. These elements were sometimes linked together by policy makers into a more comprehensive "guarantee", but the discussion was vague as to objectives and policy instruments.

194. Many of the early measures proved to be of little value, others had only a very short-lived impact, while others again had unwanted side effects. The more comprehensive concept of the "youth guarantee" emerging in the late 1970s was therefore greeted with great enthusiasm and many experiments were initiated -- and funded -- with remarkable speed, but often with little preparation and thought about their possible consequences.

195. Young people were at first inclined to interpret the word "guarantee" as a legal right to education, training and a permanent job according to their own choice. As the limitations of the guarantee became evident many young people felt let down. Among the architects and the administrators of the approach it was realised that the expression "youth guarantee" was only a headline, although a very valuable one, signalling the responsibility of society for its young citizens. The real problems of offering meaningful jobs to young people and an education system that could respond to their needs and demands remained unsolved. Much energy and many funds were therefore spent in all the Nordic countries in the second half of the 1980s searching for ways to increase the capacity and the diversity of upper secondary education, and to encourage employers to hire more young people.

196. Although unemployment among the 16-19 year-olds was a serious problem during the 1980s, it was one area where significant results showed reasonably soon, at least for the 16 to 17 year-olds. Problems, however, continued to be experienced by those in the 18-24 age range, and the labour market guarantee was therefore extended to this group. More recently, those in the 25-29 age group have started to meet with similar difficulties.

197. The experience in the Nordic countries shows that a policy distinction needs to be made between those below and above the age range of upper secondary education. Those under 19 or 20 need to be assisted with education and training measures. For those in their 20s it is most important to prevent exclusion from the labour market and social marginalisation. Strategies for that group include labour

market courses and work training. These are likely to be especially effective where, as in Norway, the content and certification of training programmes are linked to the education system through equivalences that facilitate later re-entry to formal education.

198. In all the Nordic countries it became obvious that the implementation of a youth guarantee depends very much on the local communities and on a close co-operation at the local level between the education authorities, the labour offices, the social services and enterprises. Earlier proposals about introducing a quota system obliging enterprises to employ a certain number of young people were abandoned. From the early 1980s onwards in all the Nordic countries the main responsibility for fulfilling the guarantee promises was placed with the municipalities as far as teenagers were concerned and with the local labour market offices for young adults.

Box 4: Norway's Follow-up Service

With very high rates of school participation in Norway, the labour market consequences for those who do not have a basic upper secondary qualification have become more severe, and the reintegration of the relatively small absolute numbers of drop-outs who have low levels of achievement, low aspirations, personal difficulties or who are disaffected with school becomes both more pressing and more resource intensive. One of the key initiatives of 1994 reforms was the establishment of a follow-up service for school drop-outs (around three per cent of the cohort drop out in the first 12 months of upper secondary education), which has much in common with Sweden's Municipal Follow-up Responsibility. Co-ordinated at the County level, the fundamental goal of the service is to reintegrate early leavers into school, and to do so quickly so that they are able to gain an upper secondary qualification. The service operates through a network of co-ordinators who in turn work with local counsellors or mentors who are the principal point of contact with the young people. The service contacts all those who are entitled to an upper secondary place but fail to apply, as well as those who drop out of school.

The service works closely with the school counsellor service and the school psychological service which among other tasks work to prevent drop-outs, with the Public Employment Service, and with health, welfare and other community services. Each young person who accepts an offer of assistance is assigned a personal counsellor or mentor, and is required to develop a personal action plan that is regularly reviewed. The assistance that is provided is not standardised, but closely tailored to individual need. In addition to personal advice, counselling and access to community services, young people can be offered trainee places in firms, subsidised employment, education and training opportunities, or combinations of these.

The service is well resourced. As an example in Akershus County, which has a group with a statutory right of some 16,000, of whom perhaps five per cent constitute the target group for the follow-up service, the service has the full-time equivalent of 14 staff. These are in addition to the nine employees of the school psychological service and the youth officers of the Public Employment Service with whom the follow-up service works closely.

Initial evaluations of the follow-up service have been positive, with school dropout rates falling and very high proportions of those contacted by the service engaged in education and employment. The combination of a trainee place within a firm, which offers subsidised employment and on the job training, with some school attendance has been found to be the most successful approach in re-motivating and reinserting drop-outs.

199. The reforms of the 1990s have not eradicated youth unemployment in the Nordic countries. Nevertheless, they have considerably reduced the number of very young people in the labour market and improved the quality and relevance of their preparation for working life. Problems still exist, however, with regard to the provision of a sufficient number of attractive training places in industry and the employability of those coming from short vocational training programmes.

200. One beneficial feature of the Nordic approach over the years was the sharing of experience with different measures and their evaluation across countries with a similar social and economic context, but which were at the same time sufficiently diverse to provide mutual stimulation. Another important factor seems to have been the frequency with which measures aimed at young people were evaluated, with successful measures being gradually refined and focused. A particularly important development in this context was the increasingly close association of labour market measures with improved educational opportunities, including encouragement and support for drop-outs from upper secondary education to return to school as soon as possible. Finally, even if the legal formulation of a “guarantee” has proven to be unrealistic in a market economy, the concept has helped to build up strong societal commitment to young people’s integration into the labour market and into adult society more generally. This has provided a solid basis for increasingly more concrete answers to the question of “who is responsible for what?”. Norway’s Follow-up Service, which was set up in order to put into practice the educational guarantee introduced as part of the 1994 reforms represents an interesting illustration of early intervention through integrated and well-resourced services. They are designed to prevent dropping-out from upper-secondary school and to re-integrate those who have left school before the completion of upper secondary education. More details are provided in Box 4.

In summary

201. The impression from the experience in the Nordic countries in general, and that resulting from the Norwegian review in particular, is that satisfactory results can be achieved with a combination of preventive and curative measures which are flexible, tailored to the individual needs and conditions of young people at risk, and integrated across the education, employment and community and social services sectors. It is difficult not to see behind the lessons from the Nordic countries the necessity of a clear-cut societal commitment to the young generation as a whole, and to those who are at risk of being marginalised in particular. Beyond a thorough analysis of who is at risk and which measures are most effective, each society must decide for itself what it is able and willing to invest in preventing and overcoming young people’s marginalisation.

5.4 Career Information and Guidance

202. The growing variety of programmes, courses and exit points from education and training increases the importance of information, counselling and guidance for educational and occupational choices during the transition from initial education to working life (OECD, 1996e). There are a number of approaches that can be taken to the provision of careers services, many of which were illustrated in the countries reviewed in 1997. One is to include career education as a compulsory part of the curriculum of lower secondary schools. This is now the case in almost half of Canada’s provinces. In countries that require young people to choose between quite distinct vocational or general education pathways at a relatively young age, such as Austria and the Czech Republic where choices are made at the age of 14, the timing of such information and advice and the provision of relevant decision making skills assumes a particular importance (see Box 5).

203. In some school systems such as in the Canadian Province of Quebec this information, advice and guidance are provided by professional vocational guidance counsellors who do not normally have a teaching background. In other cases, such as Austria, providing labour market preparation and information in secondary schools is part of the teaching task of specially trained teachers. In some countries the teachers who provide the assistance are not required to have formal qualifications in career guidance and

counselling. This is the case in Norway, although the teachers there do have access to in-service training and many of the resources available to them are of high quality.

204. In some countries, such as Austria, the Czech Republic and Norway, the function is shared among teaching staff and staff located within the public employment service. In such circumstances each can serve the needs of different groups of young people, those who are at school and out-of-school youth. A risk in such situations is that on leaving school young people may not have continuity and consistency in the guidance they receive. To reduce such risks the education and labour ministries in the Czech Republic have recently agreed to co-ordinate their career guidance services to provide a more integrated structure of advice and information for school leavers.

Box 5: Improving Career Decision Making in Lower Secondary School

“Choices” is a Czech programme designed to provide students in the compulsory stage of education with the knowledge and skills to make more informed decisions about their educational and employment orientations. This is a particularly important issue in the Czech Republic since students enter one of several specialised types of secondary school at the end of Basic Education (grade 9), and it is possible to enter some Gymnasias already at the end of grade 5 and grade 7. As its name suggests the Choices programme attempts to provide students with the knowledge and skills to make appropriate choices.

The programme, which is run by the Most labour offices in collaboration with local schools, covers two hours of lessons per week in the last two years of Basic School (age 13 to 15), and focuses on “self-discovery” in the form of students’ assertiveness and self-confidence, and the provision of information about different occupations, the educational qualifications they require, labour market needs in the local region, and job search skills. The overarching aim is to improve students’ decision-making skills so that by the end of the two years they are able to construct their own action plan.

The teaching approach emphasises as many “real life” situations as possible through role playing, responding to different scenarios, and talks by employers and former students. The assessment, which occurs every three months, uses a personal interview between teacher and student to review their development through the programme. At the end of each year a five-point scale is used to assess student performance in 12 different aspects of the course; the intention with this annual assessment is to make it similar to workplace assessment.

205. The role of teachers in career information and guidance is also being supplemented in other ways. Developments in information and communication technology have led to more active and self-paced forms of information search. In all of the countries reviewed in 1997 experiments with these new forms have resulted in refinement and simplification in the presentation and availability of information on educational and occupational pathways, qualifications and employment opportunities. This increases the range of information available to students, and encourages autonomy and responsibility in educational and occupational choice. However it does not dispense with the need for personal counselling and for support to help young people understand and use the mass of information that is now available to them.

206. A distinct impression from the reviews conducted in 1997 is that careers advice rarely receives the priority that it requires. This can be reflected in careers staff within schools being burdened with much administrative work in addition to their teaching duties and their guidance and advisory function; in few formal professional qualifications or training opportunities being available to them; and in limited information resources being provided to facilitate their work. In addition, in some countries those students who are aiming for careers involving tertiary study frequently receive the greatest attention from the limited services available within schools, whereas the career guidance resources available for those at risk

of leaving school early, or those wishing to enter the labour market directly from school, tend to be relatively limited.

Stronger links to the labour market

207. A great deal of experimentation has also taken place in many countries with programmes of work exploration as a component of career information and guidance. In these programmes students visit enterprises, “shadow” workers in different jobs, and have discussions with employers and employees. Such programmes range from just one day up to several weeks, in which case students may be allowed to participate in ordinary work tasks. In this case, the borderlines with part-time or summer jobs can become rather unclear, and problems of insurance, wage requirements and practical constraints within the enterprise may arise.

208. In countries where student counselling has largely been confined to schools, and especially when counselling tasks have been assumed by regular classroom teachers, it has often been felt that students do not receive enough information on the world of work, and that teachers tend to encourage students to continue in academic education rather than to consider alternative vocational options. Information and counselling services outside of schools and more closely related to the economy have therefore been strengthened in several countries. Another strategy for improving career information and guidance is to increase the role played by employers and local communities in supporting schools and labour market authorities (Watts, 1994; Dusseldorp Skills Forum, 1997). In Norway, in part because of mismatches that have been evident within some occupations and regions between the supply of and demand for apprenticeship places, many local employers have become actively involved in their local schools’ career programmes. The Confederation of Norwegian Business and Industry has devoted considerable resources to the production of career information materials to support these initiatives. In Austria school-based programmes are complemented by a highly diversified and well established network of agencies offering educational and career guidance outside of schools. These include local labour market services and -- very prominently -- the local chambers of industry and trade union bodies. This variety of agencies allows groups of young people with different needs to be served effectively. It also encourages those who actively look for advice to compare information and suggestions coming from different sources and perspectives.

209. A striking policy change designed to encourage secondary schools themselves to take more responsibility for making this alignment has recently been introduced by the Federal government in Australia. Secondary schools are now able to compete in the provision of job-placement services for school leavers. Under the programme, schools can provide job-brokerage services, matching school leavers who have become unemployed to vacancies with local employers. This forms part of a broader policy thrust aimed at encouraging schools to see the employability of their students as a vital part of their mission.

210. At the tertiary level there also appears to be a tendency for guidance and placement services to come together. One impressive example in the Canadian province of Quebec is the “Centre de recherche sur l’éducation au travail” at the University of Sherbrooke where a database has been set up to identify local employers prepared to collaborate with schools and colleges to improve the transition to working life. The centre informs students about opportunities, keeps close contact with employers, places students at the end of their studies, and organises obligatory work placements for 40 per cent of the university’s students. Another example of successful counselling and placement services at the tertiary level is the “Zentrum für Berufsplanung” at the Wirtschaftsuniversität Wien (Vienna Economic University) which is a private not-for-profit organisation financed mainly by some 200 companies and by student fees. The

centre organises job fairs with the participation of several thousand firms, provides job search seminars to students, and prepares them for assessment procedures increasingly used by enterprises for the selection of professional and managerial staff.

Dilemmas

211. If they are to be effective, information and guidance need to reflect a complex mix of variables: national education and labour market circumstances; the situation of the particular labour markets in which young people are most likely to seek employment and training; and the talents, interests and aspirations of young people. Striking the correct balance between these is not always easy, and the expectations placed upon guidance and counselling services can at times be unrealistic. Such services can only provide a picture of programmes and pathways which exist and of the jobs and careers to which they typically give access.

212. It is sometimes expected that information and counselling services could, or should, reverse the trend away from vocational education and training at the upper secondary level. This appears an unrealistic expectation if vocational pathways are perceived by young people and their families to provide fewer chances for long-term success and employment security. Even arguments referring to a supposedly safer, more straight-forward transition into work, such as through an apprenticeship, are not necessarily convincing to students and parents who are informed about more open pathways and who can afford longer studies and more sinuous transition routes. Similarly, even the most imaginative approaches across countries to counselling girls and young women have had little success in convincing significantly larger numbers of females to choose vocational education and training, particularly in traditional “male” occupations.

213. The reasons for this are complex. Information and counselling, important as they are, cannot by themselves overcome a lack of equivalence between vocational and general education in current social and economic contexts, nor overturn deep-seated occupational hierarchies and gender differences in the labour market. In addition to the continuing improvement of information and guidance provision and, indeed, as a condition for effectiveness in this area, it is the education and employment systems themselves and the linkages between initial and further education and training which need to be better aligned.

214. Increasing the effectiveness of guidance and information services requires that their links to employers, to the community outside of the school, and to labour market services be improved. It is also important that within the school they move from being marginal activities that are poorly resourced to functions that are central to and clearly integrated with the wider educational purposes of the school. This integration needs to encompass personal, welfare and educational advice and counselling, in addition to career information and advice. Where such comprehensive guidance services are provided they can improve not only the quality of students’ educational and occupational decisions, but also their educational performance and the overall climate of the school (Lapan et. al., 1997).

5.5 Continuity and change in sharing responsibility for transition

215. In all of the countries reviewed in 1997 young people’s transition to work is occurring in a more diverse and complex environment. This is changing the ways in which responsibility for young people’s transition is perceived. With many existing pathways being reorganised and new pathways being introduced, young people themselves are playing a greater role in shaping their routes to work. The

number of actors who are involved in the design and provision of education and training is growing in many countries. This requires effective co-ordination between government agencies, industry bodies, trade unions, school authorities and community organisations. It also requires effective co-ordination between the different levels of administration -- national, regional and local. In this section some of the challenges that flow from these changes are reviewed.

Reconciling coherent educational frameworks with individual choice and responsibility

216. In some of the countries reviewed in 1997 the emphasis in recent years has been on increasing both the scope for choice and individual responsibility. In the Czech Republic access to education has been democratised and a private school sector has been created since 1989. A renewed emphasis upon individual choice is seen in the more open and market-oriented climate that has shaped young peoples' transitions in Portugal since the 1974 revolution and since the decision to join the European Union in 1986. Present Australian reforms are underpinned by commitments to user choice, to fostering greater competition between providers, and to allowing increased individual initiative in the shaping of transition pathways. In Canada the transition to work occurs through a wide variety of individually determined sequences and combinations of curriculum specialisations, and through combinations of work and study, in secondary schools as well as in community colleges and universities. These place great emphasis upon individual responsibility for choices⁷.

217. A philosophy of support for individual decision making, combined with a safety net for those whose interests or needs change after entry into upper secondary education, characterises both Austria and Norway. Austria has for several decades had a highly diversified system of upper secondary education and apprenticeship training. An extensive provision of services by educational institutions, the social partners and the community, including guidance and career information, ensures that young people do not get lost within this complex environment. This is reflected in the large proportions of the age group who leave upper secondary education with a vocational or technical certificate in Austria. As part of its 1994 educational reform Norway offers young people aged 16-19 a statutory right to three years of upper secondary education, leading to either university entrance or vocational qualifications. Within the statutory right young people aged 16-19 also receive a formal guarantee that they will be admitted to one of their first three course choices, from a range of 13, at the Foundation (first year) level. The right to three years of upper secondary education can be exercised within four years, so that those who drop out of school early without having fully exercised their right are able to retain it for 12 months. Hence the consequences of wrong choices are minimised.

218. Standards and certification systems are a way of providing signals about pathways and choices to young people and their parents. They are a way of harmonising education and training with labour market requirements. But they are also a way of allowing individual choice and responsibility within coherent frameworks. Such frameworks of standards and certification, while developed and implemented through different mechanisms, have long been in existence in enterprise-based vocational training in Norway and Austria. In both countries practical and theoretical examinations that are set outside the training enterprises are the basis through which skilled worker status is awarded. These are an important means of providing quality control and trust within the system, and require close co-operation between government, employers and trade unions. In Norway for example a practical trade examination has to be

7. To some extent Quebec (one of the two Canadian provinces studied in depth) is an exception in that those who want to continue their studies after high school have to enrol in the CEGEP (Collège d'études générales et professionnelles) which offers general preparation required for university entry and vocational-technical education programmes qualifying for technician-level entry into the labour market.

passed which is organised by the Counties in accordance with national guidelines issued by the Ministry. The test is normally taken in the enterprise in which candidates received their training. In Austria the main responsibility for apprenticeship examinations lies with the Chambers of industry and commerce. In each country employers and the trade unions are heavily involved in the setting of standards. They strongly support the certification and examination system by agreeing to link its results to pay arrangements. They actively participate at a regional or local level in implementing the external assessment process and, at national level, in its design.

219. In Australia significant progress has been achieved in the development of national competency standards for a variety of industries, and much work is currently underway to ensure that these are embodied within education and training programmes and reflected in a consistent way within the new national qualifications framework. However, the development of quality control mechanisms that are independent of the individual education and training providers remains less clear cut than in countries like Austria and Norway. Within the Czech Republic current debates on common frameworks and national standards assume a particular sharpness due to the strong desire to move away from the centralised structures and processes of the previously planned economy. Here, how to reconcile widespread local responsibility for many aspects of education delivery and quality assurance with the need for a national framework of curriculum and qualifications has become a strongly disputed issue since 1989. The discussions resulted, in January 1998, in attempts to formulate standards in secondary vocational education that specify basic goals and areas of general knowledge and core skills that need to be achieved⁸. In Canada, where the need for greater coherence of skills and qualifications is widely recognised, the key question is whether common frameworks are to be developed at national level or whether they should be strengthened and updated at Provincial level.

Changing relations between levels and agencies of government

220. Within federal systems, such as Canada and Australia, competing and multiple jurisdictions can pose particular problems for young peoples' transitions. These problems include competing expenditure and policy priorities between different levels of government, and the failure of central responsibility for issues such as labour market policy and income support to be harmonised with State or Provincial responsibility for the delivery of education and training. Some of these problems can also be seen in a smaller federal country such as Austria. In other instances problems of competing jurisdictions can occur within the same level of government. The strong segregation that exists between the administrations responsible for general and vocational education in many countries -- sometimes even within the same ministry -- is reflected in divisions between general and vocational education programmes and institutions. These divisions can prevent young people from changing pathways or from combining programmes from several pathways.

221. In each of the countries reviewed in 1997 policy makers and practitioners expressed concern about the difficulties that separate and competing areas of government responsibility can pose for transition. Indeed, in several cases the thematic review process was expressly welcomed as a way of building linkages between the various agencies involved, especially between education and labour ministries. Steps to address the problems that arise from competing jurisdictions can, however, be observed.

8. Despite considerable preparatory work, qualification or occupational standards have not yet been adopted in the Czech Republic because of the lack of a legislative framework for co-operation between the education sector and employers and trade unions.

- To help better integrate policy development and programme delivery for young people between different jurisdictions, Portugal in 1996 developed the Programme for the Integration of Young people in Working Life, which operates under the auspices of a high-level contact group between the education and employment ministries and the secretary of state for youth.
- In 1997 the education and labour ministries in the Czech Republic signed a formal agreement to share information and resources in areas where their responsibilities for transition overlap.
- In 1987 Australia became the first OECD country to attempt to achieve greater coherence between education and labour market policies by merging the separate departments of employment and education at federal level within a single administration. This model has since been adopted by some but not all of the Australian States, and by England and Wales through the formation of the Department for Education and Employment in 1995.

222. An emphasis upon the multiplication of education and training options and improved connections between schools and enterprises frequently goes together with increased devolution of responsibility for programme delivery to regional and local authorities, and with greater autonomy being given to schools. This is particularly apparent in the case of the Czech Republic since 1989. It is also a strong trend in the province of Quebec in Canada, and to varying degrees in all of the countries reviewed. However, the emphasis upon local decision making has not always been matched by the provision of sufficient resources and support services at the local level to put decisions into effect. Decentralisation can lead to more responsiveness to local requirements, but it can also bring into question the coherence of qualification systems, the portability of qualifications and thus labour mobility, and the value of qualifications for access to further education. Common standards and certification systems and ways to ensure quality within coherent frameworks are key elements in the balancing of labour market flexibility and local autonomy on one hand with labour mobility and the coherence and portability of qualifications on the other.

The involvement of employer organisations and trade unions in education and training

223. The importance of national partnerships between employers, trade unions and government in setting the curriculum, assessment, certification and financing frameworks for dual or apprenticeship systems in countries such as Austria, Denmark, Germany and Norway has long been recognised. The common ingredient in successful approaches to education-to-work transition is the development of partnerships between education institutions and enterprises, supported by such national partnerships between the key parties (OECD, 1994a). The extent of participation by employers and trade unions, and the balance of their respective interests, has consequences for the regulation of training, the portability of qualifications, and the incentives for participating in training as a means of career development.

224. Although most countries are looking for ways to encourage more employer involvement in, and responsibility for, education and training, such engagement is hard to develop, especially in times of economic difficulty. Some countries also seem to have difficulties in clarifying the role and responsibility of trade unions in education and training. And even where partnerships are strong, the interests of the parties do not always coincide. In Austria, for example, although the concept of social partnership is strongly developed, trade unions tend to push for more regulated training with portability of qualifications, while employers tend to advocate more enterprise-specific training and qualifications.

225. Conflicting signals about priorities can also be given within employer or trade union groups. For instance while the educators met on the country visits expressed general support for employer involvement, there was also considerable frustration with somewhat contradictory messages from employer groups. National associations of employers (in which large employers are often prominent) are more likely to take a longer term view of the economy's needs. As a result they tend to argue for broader pathways, to emphasise generic employability skills and to give a priority to programmes that lay the basis for lifelong learning. At the local level, on the other hand, employers are more likely to argue that those who leave school should have the specific skills that will make them immediately employable within particular enterprises.

226. Many countries face particular difficulties in encouraging greater employer and union involvement in initial education and training. In the Czech Republic, organisations that bring together employers into chambers of industry and commerce are only at an embryonic stage, especially among small employers. Enterprises in Portugal are especially small with 95 per cent employing less than 20 persons, and some 25 per cent of the labour force is self-employed. In the Canadian province of Quebec, sectoral industry organisations can offer advice about the content of the limited vocational education that it is offered in secondary education. However schools trying to place students in work experience programmes have to establish connections with enterprises on a case-by-case basis. The situation is particularly difficult in provinces like Nova Scotia, where neither local nor regional employer bodies seem in any way involved in organising work experience or school to work programmes in co-operation with high schools. With the exceptions of Austria and Norway, co-operative arrangements among employers to develop a collective voice and to share resources on education and training are generally little developed in the countries reviewed in 1997.

227. Over and above the creation of effective national frameworks, an important additional benefit of close national involvement by employers and trade unions is the support that they can give to the operation of apprenticeship arrangements at the local or regional level. In Austria local employers' chambers and local trade union bodies are heavily involved in the provision of advice, information and guidance to young people to assist in their choice of an apprenticeship, as they are in the assessment of apprentices within a nationally regulated training framework. Local employers' chambers play an important additional role in quality control by assessing the capacity of enterprises to provide the breadth and quality of training required before an apprentice can be hired. In Norway, where employers are not compelled to belong to an employer organisation, the creation of sufficient apprenticeship places to meet demand, as envisaged by the 1994 reforms, has been more difficult than many in the national employer and trade union organisations had expected. This has resulted in substantial effort having to be expended to communicate the reforms to members at the local level and to persuade them of the importance of creating increased apprenticeship opportunities for youth.

Encouraging partnership and local initiative

228. In countries where centralised collective bargaining assumes a lesser importance within the industrial relations system, where the traditions of employer involvement in education and training at the national level are weaker, and where links between employer associations and individual employers are also loose, governments need to find alternative mechanisms for fostering employer involvement in young people's transition to work. One option is the creation of government funded yet independent foundations with industry led boards, intended to foster and provide seed funding for local partnerships between education institutions and employers. The Australian Student Traineeship Foundation, created in 1994 to encourage workplace learning partnerships as part of upper secondary education, is an example of such a government initiated innovation. In addition to seed funding, it helps to promote change through fostering

networking, through research, through public information and through advocacy. The Conference Board of Canada, a national business organisation, helps to play a similar role in advocating and promoting local partnerships in that country and in celebrating the most successful ones, whilst not having a direct government supported role in seed funding individual partnerships. Another option to encourage employer involvement, which can be observed in Canada, is for employers to be compensated through wage subsidies or tax credits for the costs incurred in providing school students with structured experience in work.

229. Both in countries with and without strong structural connections between employers and initial education and training, there is growing interest in education-industry partnerships as a way of sharing responsibility for young peoples' transitions. Of particular interest are partnerships at the local or regional level between enterprises (or chambers of enterprises), educational institutions, labour market services and community organisations to assist in programme delivery and in the tailoring of programmes to local circumstances. This can be seen in the Australian and Norwegian school-industry partnerships, as well as in current programmes in Austria for hard-to-place apprenticeship candidates, in which training is shared over mixed settings: enterprises (sometimes several firms), intermediate training workshops and vocational schools.

230. Such intermediary bodies are most relevant -- and perhaps most sorely needed -- in societies that do not have strong traditions of close collaboration between government, employers, trade unions and community organisations. In some instances, the development of local partnerships and intermediary bodies has been stimulated by government policy. In other cases such developments have occurred because employers and others have perceived serious deficiencies in public policy on transition. Whatever the stimulus for the development of local partnerships and intermediary bodies, governments have an important role to play in monitoring their impact to ensure that quality outcomes are achieved. Governments also have a key role to play in evaluating such initiatives so that that successful strategies are more widely adopted, and mistakes are not repeated. Within apprenticeship systems partnerships between schools and enterprises can assist the transition from initial education to working life in a range of ways in addition to those outlined above(OECD/CERI, 1992). An example is described in Box 6.

231. Building and maintaining partnerships is not easy, especially when economic conditions are difficult and employers' associations are not well developed. And it is important for local partnerships to be able to operate within agreed national frameworks for matters such as curriculum, certification and assessment. Experience in countries such as Norway, Australia and Sweden that have been active in developing and promoting partnerships between schools and firms to assist young peoples' transitions, as well as research conducted in the United States (Stern *et al.*, 1995; Villeneuve and Grubb, 1996; Bassi *et al.*, 1997) suggests that there are some common elements that help to make local partnerships work to the benefit of students. These elements include:

- the fostering of genuine ownership by employers and community members, so that they have real rather than token responsibility in matters such as programme management, the operation and delivery of programmes, and student selection;
- appropriate resourcing, so that teachers and other facilitators are provided with sufficient time to visit firms, place students appropriately, assist firms with assessment where this is an element of programmes, and resolve problems that may arise between the student and the firm;
- the provision of appropriate support, resource materials and training to those employers and employees who have the direct responsibility for supervising and training students while

they are in the workplace, or who play a direct role within the school by giving talks or in other ways;

- close ongoing personal relationships between the teachers, employers and employees involved; and
- ensuring that benefits flow to the firm, for example through better recruitment of school leavers and an improved community image, as well as to the student and the school.

Box 6: Partnerships Between Business and Schools in Norway

The Confederation of Norwegian Business and Industry (NHO) has launched and is heavily resourcing a major national project to bring schools and local businesses more closely together. It owes its origins both to the positive opportunities afforded by a new national curriculum for learning to be extended beyond the classroom, and to concerns felt by NHO about the gap between many schools and the world of work.

The project's principal objectives are: to give students a realistic picture of the role played by business and industry as a generator of wealth; to improve young peoples' choice of career and education; and to include local companies as a natural part of the teaching environment.

Schools and companies are encouraged to sign partnership agreements through which the company nominates the contributions that it will make to the school's educational goals. These can include: lectures from the company; structured visits to the company by students or teachers; case studies and project work for students; teacher placements within the company; teacher participation in the company's training programmes; and company representatives as permanent consultants to student enterprise projects.

The project was launched early in the 1996-97 school year, and a year later some 550 partnership agreements had been signed. In many cases schools begin by signing only one agreement, and then extend this to agreements with many local firms, thus allowing students to gain a broader perspective on working life. Similarly some firms have partnership agreements with several local schools. Recruitment problems caused by young people's lack of interest in applying for apprenticeships, and other forms of locally available employment, in particular occupations and regions, have been a significant spur for employers' involvement in partnerships at the local level.

Intermediary bodies as brokers

232. A related response to the more diverse and complex transition environment that young people face has been to create new types of organisations to provide an intermediary or bridging role between the young person and the more fragmented environment in which they must now operate. Intermediary bodies, acting as brokers between the young person, schools, employers and training organisations, are, in a number of countries, a special case of the way in which local initiatives can assist young people's transition from initial education to work⁹.

233. Within the field of transition intermediary organisations, frequently operating on a not-for-profit basis, can deliver significant benefits both to young people and to firms. They can spread training over a number of different firms where individual firms cannot provide exposure to a wide range of skills, or do not have the resources to provide a full package of training by themselves. This expands the capacity of

9. Such bodies have parallels within financial markets, where property trusts allow small amounts of capital to be aggregated and then invested in ways that would be beyond the reach of individual investors, and permit risks to be spread and market information to be shared.

smaller and medium sized enterprises to take part in formal training arrangements and ensures that young people's training retains breadth and coherence. Intermediary bodies can assist firms through the experience that they develop in selecting and recruiting apprentices and trainees. For the young person intermediary bodies can both help to expand their training opportunities and reduce the time and cost involved in finding an apprenticeship. Australia's Group Training Schemes, illustrated in Box 7, perform such a function.

Box 7: Group Training Schemes: A Response to Changes in the Labour Market

Group training schemes developed in Australia in the 1980s as an alternative to apprentices entering into an indentured contract with a single employer. The schemes, which are normally organised by employer associations or regional development bodies, perform the role of an intermediary between the apprentice and employers. Where firms are too small to take on a full-time apprentice, or where the firm's work is too specialised to provide an apprentice with broad experience, the group training company takes on the employment of the apprentice and organises their workplace experience by leasing them on a rotating basis among several different firms. The individual firm is spared the risk and cost of taking on a full-time apprentice, and the young person has more varied work experience than would otherwise have been the case.

From the mid-1980s, group training schemes have included trainees as well as apprentices, and have started to provide a range of employment, training and advisory services for young people. Most group training schemes are organised on a not-for-profit basis. Enterprises receiving apprentices pay the group training company a fee based on wage costs, and the group training company as the primary employer receives various forms of financial support from State and Commonwealth governments. In 1996 there were around 130 group training schemes which employed about 20,000 apprentices and trainees.

Group Training Companies have played an important role in periods of economic downturn by employing "out of trade" apprentices discarded by their original employer. The schemes appeared to have played a major role in encouraging girls to take up apprenticeships in traditionally male domains, and in encouraging structured training in emerging areas such as tourism and retailing.

234. In Norway Training Offices assist small firms in a similar way. Organised and approved by County vocational committees, they are commonly located within the regional and sectoral offices of employer groups. Through the pooling by firms of a proportion of their government subsidy payments for apprenticeship training, specialist staff are hired to assist firms with apprenticeship recruitment and assessment, with the development of training plans, and with the rotation of apprentices through several firms in order to ensure training breadth. Austria's inter-enterprise training centres are another example of intermediary bodies that help to share the training of apprentices among several enterprises.

235. Intermediary bodies can assist the transition of young people in other ways. The Austrian Centre of Training Firms assists vocational schools and colleges in the operation of training firms, through which students are able to develop skills in a simulated commercial environment, and it acts as a national co-ordinator of and resource centre for such training firms. In the Czech Republic there are now some 400 simulated enterprises in vocational schools; an annual trade fair of simulated enterprises is held, and links have been established with simulated enterprises and national resource centres in Austria. In Norway, Resource Centres have been established to make the specialised resources and skills of upper secondary schools available to local firms on a commercial basis, and this is an effective mechanism for ensuring that teachers remain in close contact with local industry. Australia's Jobs Pathway programme, through which local community organisations act as employment brokers and job placement assistance agencies for school leavers, is intended to improve young people's access to local labour market knowledge.

5.6 Improving the Information Base

236. The reviews conducted in 1997 make clear that existing data provide only partial indicators of trends and problems in the transition from education to work. In general, the available data are stronger in describing patterns of participation in education, and to a lesser extent movement through the education system, than they are in describing movement into and through the labour market. Little international data is available on the transition experiences of young people from different social backgrounds or regions. This is an important information gap as policy makers are increasingly being required to respond in diverse ways to young people's needs and labour market conditions.

237. The available indicators of transition *outcomes* focus on labour force status, principally the extent to which young people are unemployed. As the detailed discussion in Appendix 4 makes clear, youth unemployment rates need to be presented with care in order to avoid misinterpretation. They are highly influenced, particularly among teenagers, by students' part-time employment, by the treatment of national apprenticeship arrangements in labour force surveys, and by the wide variations that exist among countries in rates of educational participation. Analysis of outcome indicators that focus upon labour force status leads to the following conclusions:

- If unemployment-based measures are to be used as national indicators of teenagers' transition difficulties, unemployment to population ratios are to be preferred to conventional unemployment rates.
- Unemployment to population ratios that are calculated using only non-students in the numerator and the total population in the denominator are to be preferred to those that use both students and non students in both.
- Inactivity measures can be a useful supplement to measures of the incidence of unemployment among non-students, but should be treated with caution, as some young people encompassed by them appear to be engaged in constructive activities rather than experiencing difficulties in the transition to work.
- Youth to adult unemployment ratios are a useful indicator of the extent to which young people are able to compete with adults for the available employment, and appear relatively insensitive to the overlap between young peoples' educational participation and their labour force participation.
- Employment to population ratios have many advantages over unemployment-based indicators when assessing the effectiveness of national transition frameworks. They have particular advantages when applied to young adult (20-24 year-old) non-student populations.

238. Labour force status, including unemployment, is clearly a key measure of young people's integration into the world of work, but it is insufficient on its own as a measure of success or failure in transition. Even though reliable data may not always be available at the present time, there needs to be a broadened conception of school-to-work transition *outcomes*. These need to encompass earnings, occupational status, the extent to which training is available, job mobility, job satisfaction, and the extent to which young people's competencies are actually utilised in the economy. Analysis of transition outcomes also needs to focus upon the relationship between such indicators and educational attainment.

239. As well, existing indicators provide few insights on the *process* of moving from full-time education to work and thus on the factors which contribute most significantly to success or failure at

different stages of transition. The process by which young people make the transition from education to work is becoming increasingly complex. More and more young people are combining work and education in a variety of ways, moving into and out of education throughout their twenties, experiencing spells of unemployment and, in some cases, dropping out of education and the labour market altogether. In recognition of these changes, policy makers and planners are using concepts such as “pathways” or “itineraries” in an attempt to provide coherence to young people’s diverse education and employment circumstances. However, to date there have been only limited attempts to develop indicators of the various types of pathways into work used by young people, and the numbers involved (OECD, 1998c). A particular information gap concerns the labour market experience of those young people in the general education pathway who do not move directly to tertiary study.

240. One avenue that is worth exploring is to identify key ages and to focus indicator development at those points. At present, most indicators are presented in five year bands (15-19, 20-24 etc.) or even in some cases ten year bands (15-24). These age bands encompass young people in so many different situations that it can be difficult to form a picture of “typical” transition experiences, or even the range of experiences. Single year of age data would enable a more detailed mapping of young people’s educational and labour market experiences at key transition points from initial education such as the end of compulsory education (e.g. age 16), the end of upper secondary education (e.g. age 19), and the end of the first stage of tertiary education (e.g. age 22). Such data would also enable identification of just where the key transition points lie in different countries, and how they have changed over time. Single year of age data would also enable synthetic cohort analyses of indicators such as the time taken for the majority to make the transition from being full-time students who are not working to being full-time workers who are not studying. Such data were used to develop school-to-work transition indicators in OECD (1996b) and OECD (1996c).

241. Longitudinal data sets have considerable potential to meet the need for new indicators. Of those countries reviewed in 1997 Australia and Norway have the benefit of well-established national longitudinal data bases. Canada, the Czech Republic and Portugal have either recently instituted, or are about to start, major longitudinal studies. Data sets that follow cohorts of young people permit analyses of how personal characteristics, economic resources and education experiences relate to subsequent labour market outcomes, and how these relationships have changed over time. Yet even in these cases, it is difficult to be precise about the education-employment linkages since cell sizes can become too small for reliable estimates. Furthermore, the extent to which the various longitudinal studies lend themselves to comparative analysis at international level is not yet clearly established.

242. The OECD’s INES Network B (Student Destinations) is aware of the limitations of existing data and indicators, and in 1998 conducted a pilot data collection using a much more detailed cross-classification of labour force and education status from Member countries. Such data allows the calculation of unemployment to population ratios for those who are not in education (who are an important group of concern to policy makers), and these are shown in Appendix 4. Such data also enables indicators to be developed of the proportions of young people who combine education and work in different ways, those who hold a part-time job but who are not in education, as well as those who are outside both education and the labour market. Each of these groups is an important target group for transition policy.

6. THE KEY POLICY INGREDIENTS THAT DETERMINE SUCCESSFUL TRANSITIONS

6.1 Commonality and diversity

243. An observation which should introduce any discussion of policies that assist young people's successful entry into working life is that a solid and well functioning economy is by far the most important precondition for successful transition from initial education to working life. In reviewing the success or failure of various education, employment or social policy approaches it is important to keep in mind that the effects of the types of education and employment policies discussed here on young people's transition are relatively marginal compared to the impact of overall economic conditions. If economic growth is strong and unemployment low most young people will not find it difficult to enter the labour market, especially taking into account current demographic perspectives of rapidly ageing OECD societies as well as continuously rising levels of educational attainment. Nevertheless, "at the margin" education, employment and social policies do make a significant difference in laying effective foundations for lifelong learning, in dealing with the transition problems of those most at risk of being excluded, and in enhancing both economic effectiveness and social equity.

244. There is a common assumption that the position of young people on the labour market is difficult, and becoming more so. This involves concern about the prospects for those young people most at risk in the transition to work. But in addition pessimism can extend to a belief that the barriers to labour market entry are growing even for well educated youth. Improved work based education and training are commonly seen as solutions to these difficulties, but this can at times carry with it a presumption that education and training are partly responsible for them. The results from the six countries reviewed in 1997 suggest a picture that is both more differentiated and in many respects more positive. Although youth unemployment and marginalisation are indeed preoccupying realities in most countries, the scope and nature of transition problems vary widely. Many countries have been able to significantly increase young people's educational participation and attainment in recent years. A longer term perspective would suggest that these have resulted in an improvement in young people's ability to compete with adults on the labour market. One rather encouraging message that arises from the country reviews themselves is that much can be learned from the differences between countries and from the positive achievements that various countries are able to demonstrate in a number of policy areas.

245. The review has also helped to highlight the essential role for policy making of relevant information on participation in education, training and employment and of longitudinal observation of young people's education and labour market careers. The value of such information is greatly improved when it is based on common tools of observation and analysis across OECD countries. Better international indicators of young people's transition from initial education to working life and a methodologically solid base for comparison will increase the effectiveness of information exchange and cross-country learning.

246. Countries vary markedly in the extent to which young people struggle to find work and in the types of linkages between initial education and employment that they make available for young people. There are significant variations between countries in levels of youth unemployment (however it is

defined). The duration of transition processes and their employment outcomes for comparable groups of young people vary considerably across countries and so do the size and composition of at-risk groups. Transition frameworks differ across countries in the “connectivity” which has been established between education systems and labour markets. They also differ in the extent to which the interaction between education and work is characterised by linkages that have been well institutionalised. And countries vary in the degree to which responsibility for successful transition lies with the individual learner, or is embedded in institutional frameworks which reflect collective societal support for new generations. Finally, important differences between countries exist with regard to the ways in which policy approaches have developed over time. While some countries have been concentrating on preserving and adapting relatively well functioning transition systems, others have undertaken massive reforms in education and employment systems designed to improve young people’s transition to work.

6.2 Ingredients of successful transition policies and pitfalls to be avoided

247. This concluding section of the report highlights what appear to be the main policy ingredients of well-functioning transition frameworks as well as pitfalls to be avoided, taking into account the six countries visited in 1997 and other analytical material that has emerged in the course of the reviews. None of these countries has solved all of the problems, and none of the successful strategies developed in any country will be transferable without adaptation to others. But a number of policy areas can be identified which seem to be crucial to transition everywhere. Comparing policy approaches and outcomes in these areas across countries can support the search for effective transition policies within each country. In this context it is important to realise that looking at other countries’ policies can be useful even if such policies are being criticised in their “home countries” for not being totally successful, for being too costly or for being too rigid. No policy will ever be totally successful. What counts is whether a country has been able to achieve improvement -- and at what costs -- and what explains why certain transition problems are dealt with more successfully in some countries than in others. Tentative “checklists” of positive and negative features of transition systems are provided below and then discussed in greater detail in the remainder of this section.

Essential features of well functioning transition systems:

- clearly defined, well organised, open and coherent learning pathways and qualification frameworks designed and developed in a lifelong learning perspective;
- the availability of extensive opportunities for young people to participate and learn in real work settings while they are students;
- the provision of a broad range of vocational and technical skills, together with general education and personal skills, for young people not continuing into higher education;
- the existence of labour markets which are “youth friendly”;
- tightly knit safety nets for young people who are most at risk of social and economic exclusion which reintegrate them into mainstream education and training;
- attractive and accessible information, guidance and follow-up services for all young people integrating educational, labour market and social counselling;

- institutional frameworks for the organised and continuous involvement of and cooperation among all the relevant players at the national, sectoral and local levels in order to achieve policy coherence and effective programme implementation; and
- well designed monitoring tools such as statistics, indicators and longitudinal surveys reflecting developments in education and employment systems not in isolation from each other but revealing their interactions.

Pitfalls to be avoided:

- low levels of attainment and qualification among young people;
- large numbers of early school leavers in low skilled work that is not linked to education and training;
- vocational curricula containing limited general education subjects and which focus upon narrowly defined specific occupations;
- general education programmes that provide neither occupational qualifications nor skills and motivation for further education;
- limited opportunities for young people to combine classroom learning with learning outside of the classroom, whether in the workplace or the community, and learning environments that do not allow for applied learning, be it in the classroom or in programmes that span the classroom and the world outside it;
- insufficiently developed pathways between initial vocational qualifications and further and higher education due to separate entry requirements, qualification structures and financing mechanisms for secondary, tertiary and adult education;
- a lack of readily available pathways back into education for school drop-outs, including the absence of individualised assistance for young people experiencing difficulties in the labour market and a lack of financing mechanisms encouraging them to return to organised learning.

248. It is important not to focus on the various policy domains in isolation from each other, but to consider the complementarity of education, labour market and social welfare policies and how these reinforce or inhibit one another. Priorities must be set and strategies determined keeping in mind the overall objectives of effective and equitable transition frameworks supporting all young people during their difficult travel into adult life. Successful transition policies include both specific measures for young people most at risk as well as active policies for the mainstream. Both are closely related, since effective education and employment policies for all young people will keep at risk groups small in the first place. Over time, looking back at the ups and downs of economic cycles, it is in those countries which have preserved or developed well defined, open and coherent educational pathways and qualification systems combined with tightly knit safety nets that young people appear to enter the labour market and adult society most successfully.

249. One common feature of such systems are well organised education and training pathways providing young individuals with a variety of clearly defined institutionalised routes through upper-

secondary education into employment or higher education. Such systems tend to offer coherent programmes, based on common curricula guidelines and leading to predetermined sets of qualifications that encompass a broad and agreed range of knowledge and skills. Admittedly such pathways tend to openly perpetuate divisions between general and vocational education. However a great deal of “system engineering” and combinations of input- and output-based steering mechanisms have, in recent years, led to the broadening of vocational pathways and qualifications and to a widening of the bridges between different types and levels of education and training. Young people can therefore move with greater ease between different pathways, both horizontally and vertically.

250. Another important element of such systems is that the social partners are closely involved in designing the qualification outcomes of the vocational pathways and that industry participates in the provision and quality control of work-based learning opportunities according to negotiated and commonly accepted rules. This allows vocational education and training to lead to widely recognised and transportable qualifications which are relevant to skill requirements in the economy. If well designed, such education and training can also be particularly successful in integrating the development of both specific vocational skills and those social and personal skills which are essential for employment and adult life more generally. While such systems are sometimes criticised for their “rigidities” they do provide solidly institutionalised, sustainable transition routes between education and employment for large numbers of young people. Even if adaptation to new skill requirements is sometimes slow, the skill profiles of the majority of young people seem to correspond well to the needs of industry.

251. There are also important lessons to be learned from those countries with less institutionalised learning pathways which have in recent years undertaken fundamental reforms of their education and training systems, employment services and welfare support schemes for young people. These reforms have been aimed at improving the responsiveness of educational provision to economic demands and facilitating young people’s transition into working life. Of particular interest are the development of and experimentation with qualification and assessment frameworks which have loosened the links between educational institutions and qualifications. Such frameworks are aiming at equivalence and coherence of qualifications and learning pathways within and across initial and further education and training. It is also in these countries that a related ingredient of flexibility, the modularisation of education and training programmes, is most developed.

252. Such flexible frameworks can carry the risk of encouraging “disorderly” and piecemeal approaches to the construction of qualifications and they can put the responsibility for proper connections between education and employment mainly on the shoulders of individual young people and their choices. This can be motivating and invigorating for those who are able to cope with the absence of pre-established sequences of courses and programmes, but it can increase the difficulties for those who are disadvantaged by their social background and for all those adolescents who have not yet found any clear orientations for themselves. Nevertheless, these more flexible approaches to the organisation of pathways and qualifications have undoubtedly contributed to increasing participation in post-compulsory education and training in the countries concerned, and to rising levels of educational attainment and vocational qualification among recent generations of young labour market entrants. At the same time, these policy orientations allow and incite young people who have left initial education to return to further learning and obtain further qualifications. Of interest to other countries is that these changes have led to more flexible education and training systems, that they allow at least in principle for more rapid and subtle responses to changing skill requirements and, above all, that they have stimulated new thinking which puts the development of effective systems of lifelong learning at the heart of education and labour market innovation.

253. A crucial ingredient of well functioning transition frameworks seems to be the provision of a broad range of “middle level” vocational and technical skills as part of initial education and training at the post-compulsory stage. For all those who do not move on directly into higher education it is essential to acquire a minimum of “employability skills”, including basic skills and key qualifications as well as specific occupational skills. Yet another strong argument in favour of structuring post-compulsory education and training in this way is that learning which is closely linked to working life can be a powerful factor in motivating young people to want to continue in formal education. Given the rising skill requirements in all OECD economies, compulsory education -- even at its best -- is for most young people no longer a sufficient base for successful labour market entry or for building satisfactory longer term careers. Countries which are offering a broad range of post-compulsory and tertiary “middle level” vocational and technical qualifications to a large proportion of each generation of young people are clearly at an advantage when it comes to young people’s chances in the labour market as well as their contribution to the economy.

254. Experience indicates that market forces alone are in the long run and in face of varying economic conditions not producing the most favourable context for the transition of young generations into employment. To judge from employment and unemployment figures and from available information on the relevance of initial qualifications for employment, transitions appear to work best in those countries where the social partners are most actively and continuously involved in designing changing qualification profiles and in providing integrated forms of school-based and work-based learning. Similarly, it is in countries where public services and community support are closest to young people experiencing difficulties in school, at work or in their families, and where information, guidance and counselling are most integrated across the education, employment and social domains, that early school leaving is best prevented and best remedied when it does occur. While such frameworks of collective responsibility and solidarity are costly in many respects, cross-national comparison suggests that they contribute to preventing or reducing failure and to providing relatively effective transition routes for entire generations.

255. The reviews carried out so far emphasise the importance for successful transitions of young people being able to gain experience in workplaces, but even more importantly of opportunities to turn this experience into learning and recognised qualifications. Workplace learning can be a powerful motivator for young people. It allows them to put their knowledge into context, to relate it to real life, and to build broad conceptual understanding from specific examples. Opportunities for young people to gain experience and to acquire skills within the workplace can take many forms, and the countries in the reviews conducted during 1997 illustrate a variety of these. Some are largely employment-based and involve highly structured learning, such as apprenticeships, or provide less organised opportunities of work experience, such as ordinary part-time jobs that young people in many countries take during their studies. Other opportunities for workplace learning are largely organised through the education sector. These can include sandwich courses, co-operative education, and structured work placements. While some of these various ways for young people to gain experience and to acquire skills appear to be more effective than others, all appear to underline the usefulness of early contacts with the world of work, provided that they do not discourage continued learning and the acquisition of recognised occupational qualifications.

256. Such opportunities are one measure of the extent to which labour markets are open to and accessible by young people. The reviews conducted in 1997 suggest that the labour markets of different countries vary in the extent to which they are “youth friendly”. One important feature of such “youth friendliness” relates to the types of connections which are established between education and employment systems and in particular to the existence of apprenticeship systems and/or other arrangements providing large scale and continuous opportunities for learning at work while young people are still in initial education. Besides the cognitive and pedagogical advantages of “hands-on” learning such arrangements

allow large numbers of young people to acquire the work experience which many employers consider to be as important as -- and sometimes even more important than -- formal qualifications. Rather than “milling around” in jobs unconnected to their occupational choices, young people can thus acquire work experience and qualifications which are relevant to their ongoing learning and to the field of activity in which they want to work. At the same time, the more “institutionalised” such arrangements are, and the larger the number of available training places, the more young people are considered and can consider themselves as part of their country’s workforce and economy. What distinguishes such labour markets are relatively low youth wages combined with large scale formal employer commitment to organised skill formation at work.

257. If labour markets are to be “youth friendly” it is also important that wage regulations, employment protection arrangements and social costs are dealt with in ways which do not systematically put young people at a disadvantage in the labour market. Finally, but not least, incentives and agreements which encourage both employers and young people to invest in skill formation and further learning are important features of labour markets which facilitate and improve young people’s transition to working life.

258. As indicated previously, the most effective forms of safety net for young people at risk of social and economic exclusion are those which are built into the mainstream relationship between initial education and training and the labour market. Such systems seek to minimise the number of school drop-outs and give the largest possible number of young people qualifications that enable them to access jobs and further education. This means not only preventing early school leaving but also ensuring that all young people, whenever they leave initial education, are equipped with relevant work skills. Related policies will therefore aim at reducing the numbers of those who enter the labour market with general education qualifications only, including those who leave initial education after having obtained a general upper secondary education certificate.

259. In addition, however, intense follow-up care is needed for those who in one way or another have fallen through the cracks of the mainstream of education, training and work experience which lead to relevant and valuable qualifications. The country experience reviewed suggests that such follow-up is most effective if it is co-ordinated by local communities and if it takes a comprehensive approach across problems related to education, employment and social welfare. The most effective services are transparent, accessible, friendly and integrated, tailored as much as possible to the individual needs of young people at risk. Such services also include income support systems where rights or entitlements are accompanied by obligations to search for work or to participate in training or subsidised employment. What distinguishes successful safety nets is a proactive approach which keeps close track of early school leavers and labour market drop-outs and which recognises the critical importance of getting a job or of entering a labour market programme quickly after leaving school. As underlined before, such approaches are costly and their feasibility and success therefore depends crucially on keeping the number of early school leavers and labour market drop-outs as small as possible.

260. Another necessary, though difficult to achieve, condition of success in constructing safety nets for young people at risk is effective co-operation among different sectors and levels of government. Labour market programs constitute an important test of such co-operation. Their content and certification arrangements can either encourage or discourage participation in continued education and training that leads to formal qualifications. This is of particular importance for early school leavers. The way in which income support arrangements are organised can be another test of such policy coherence, as their incentive structures can be powerful factors influencing the choices that young people make between inactivity, job search, or education and training.

261. The availability and functioning of safety net services for at risk youth should be seen as part of a broader framework of integrated services providing education and labour market related information, guidance and counselling to all young people. The reviews have drawn attention to the maze of information and counselling services with which young people are confronted in some countries, and to their scarcity in others. Entirely unified education and labour market counselling services are difficult to imagine. They may not even be desirable if young people's initiative is to be stimulated and if they are to be encouraged to compare divergent information and advice provided by public services and -- in some countries -- by employer organisations, trade unions and other organisations. Nevertheless, public services should aim at providing integrated and personalised information and counselling services within transparent and accessible institutions to all young people.

262. In summing up, the reviews conducted in the first six countries in 1997 suggest that the conditions of transition from initial education to work for entire youth generations and for young people at risk have in recent decades been most favourable in both the Nordic and the traditional apprenticeship countries. Although their institutional frameworks and pathways differ, policy approaches in these countries have much in common. They are based on society and community assuming a significant degree of responsibility for young people's transition from education to work. This requires the active engagement of employers and trade unions in policy making, in programme design and certification. It requires focused efforts to ensure that young people do not "fall through the cracks" after leaving initial education and training. Both the approaches seen in the Nordic countries and the approaches adopted by the traditional apprenticeship countries make the social, economic and educational aspects of youth policy complementary and mutually reinforcing. Such broad policy principles, if not specific structures distinctive to each country's traditions and institutions, are transferable with appropriate adaptation to national circumstances in a wide range of countries. The relatively positive record of these countries with regard to transition does not, however, exclude the need for innovation and improvement which can be inspired by developments in other countries. Enhancing the openness and responsiveness of education and training systems and, above all, developing more innovative and effective approaches towards the construction of genuine systems of lifelong learning will be essential conditions for successful transition frameworks in future.

6.3 Remaining challenges

263. Improving young people's transition to working life will remain a very high priority on the policy agenda of Member countries. Providing effective answers to youth unemployment, offering opportunities for purposeful combinations of study and work to increasing numbers of young people, ensuring that increasing numbers of young people leave initial education prepared for employment in a knowledge economy, and organising more open and coherent systems for continued learning after young people have left initial education -- all these will continue to constitute major challenges for policy makers.

264. In addition, the reviews conducted so far have drawn attention to strong concerns in all countries about problems of discouragement, disaffection and lack of orientation among many adolescents both before and after the end of compulsory education. The consequences are early school leaving, low educational achievement and lack of recognised qualifications among unacceptably high proportions of young people, as well as sinuous pathways and sometimes unnecessarily long and costly initial education for others. While the causes for such problems are multiple and should certainly not be imputed exclusively to deficiencies in education, schools are and continue to be the principal agents through which societies prepare young people for their roles in adult life. Among these roles, economic activity remains a fundamental base for income, family foundation, social status and active citizenship. Preparing young

people for working life therefore has wider dimensions than simply equipping them with occupational knowledge and skills, important as these are. It contributes crucially to young people's search for and progression towards personal identity without which they will find it difficult in the long run to fully occupy their place in society. A consequence is that young people's preparation for adult life in general and working life in particular requires the engagement and involvement of many actors to be promoted and orchestrated by schools.

265. A wide range of experimentation and research in all OECD Member countries suggest that successful responses to such problems exist. More integrated forms of practical and theoretical learning, supported by the opening up of schools to the community, the world of work and the new technologies and media -- even if they cannot solve the social, economic and information problems underlying much of young people's difficulties -- can make secondary education more motivating and more supportive to large numbers of adolescents. What seems to be at stake is how these successful approaches to motivating young people to learn for adult life can be made more sustainable within the institutions in which they have originated and at the same time how they can become integral features of mainstream education systems. Progress in this direction certainly involves sharing information on "what works" within and across countries. In addition, however, it would seem to require thorough investigation into the systemic barriers which prevent positive reforms from providing a less selective and competitive and a more inclusive and encouraging learning environment. In particular it requires a clearer understanding of how reforms in secondary education can promote more integrated forms of general and vocational education and training, and provide far greater proportions of young people with a form of education that will equip them to function effectively in a knowledge based economy.

266. A further major challenge, facing some Member countries more than others, relates to the increasing duration of the transition process. While one dimension of this lengthening is clearly changes in young people's attitudes and preferences, it has a number of other dimensions that appear to be policy induced. Some of these relate to the efficiency with which both initial and tertiary education are organised, and to the flexibility with which available pathways can meet young people's aspirations in the face of changing labour market requirements in order to ensure entry into regular and well paying employment within reasonable time horizons. Others relate to the ways in which educational financing mechanisms and labour market opportunities together provide young people with the incentive to engage in extended periods of education or in extended periods in which study and part-time work are combined.

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Much of the material in this paper is drawn from the *Background Reports* and *Country Notes* prepared for the six countries participating in the review during 1997: Australia; Austria; Canada; the Czech Republic; Norway; and Portugal. The authors of those documents are listed in Appendix 1. Those papers in turn contain extensive bibliographies on the countries concerned.

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APPENDIX 1:
NATIONAL CO-ORDINATORS, AUTHORS OF COUNTRY BACKGROUND REPORTS, AND
MEMBERS OF REVIEW TEAMS

AUSTRALIA

National Co-ordinator

Mr Tony Greer
Vocational Education and Training Division
Department of Employment, Education, Training and Youth Affairs
Canberra

Authors of the Background Report

Mr John Ainley
Mr Stephen Lamb
Mr Jeff Malley
Australian Council for Educational Research
Melbourne

OECD Reviewers for the visit 18-27 March, 1997

Mr Abrar Hasan
Directorate for Education, Employment, Labour and Social Affairs
OECD
Paris, France

Mr Phillip McKenzie
Directorate for Education, Employment, Labour and Social Affairs
OECD
Paris, France

Mr Erik Nexelmann
Division of Vocational Education and Training
Ministry of Education
Copenhagen, Denmark

Mr Robert Schwartz (Rapporteur)
Graduate School of Education
Harvard University
Cambridge, United States of America

AUSTRIA

National Co-ordinator

Ms Eleonora Schmid
General Directorate for Technical and Vocational Education
Federal Ministry of Education and Cultural Affairs
Vienna

Authors of the Background Report

Mr Lorenz Lassnigg
Institut für Höhere Studien
Vienna

Mr Arthur Schneeberger
Institut für Bildungsforschung der Wirtschaft
Vienna

OECD Reviewers for the visit 18-28 November, 1997

Mme Marianne Durand-Drouhin
Directorate for Education, Employment, Labour and Social Affairs
OECD
Paris, France

Mr Damian Hannan
Economic and Social Research Institute
Dublin, Ireland

Ms Jana Hendrichova
Ministry of Education, Youth and Sports
Prague, Czech Republic

Ms Lena Schröder (Rapporteur)
Swedish Institute for Social Research
Stockholm University
Stockholm, Sweden

CANADA

National Co-ordinator

M. Pierre Brodeur
Coordination aux affaires internationales et canadiennes
Ministère de L'Éducation
Québec

Authors of the Background Report

Mme Dianne Simpson
Ministère de L'Éducation
Québec

Mr Victor Thiessen
Department of Education and Culture
Halifax, Nova Scotia

Council of Ministers of Education, Canada
(CMEC)

OECD Reviewers for the visit 1-10 October, 1997

Mme Marianne Durand-Drouhin
Directorate for Education, Employment, Labour and Social Affairs
OECD
Paris, France

Mr Abrar Hasan
Directorate for Education, Employment, Labour and Social Affairs
OECD
Paris, France

Mme Claudine Romani
Cabinet du Premier Ministre
Paris, France

Ms Hilary Steedman (Rapporteur)
London School of Economics
London, United Kingdom

CZECH REPUBLIC

National Co-ordinator

Ms Vera Czesaná, National Training Fund

Working Team for the Background Report

Ms Vera Czesaná, National Training Fund

Ms Jitka Brunclíková, Ministry of Education, Youth and Sports

Mr Jaromír Coufalík, National Training Fund

Ms Jana Hendrichová, Ministry of Education, Youth and Sports

Mr Jan Hrabe, Confederation of Industry of the Czech Republic

Ms Jessie Kaštánková, Ministry of Education, Youth and Sports

Ms Olga Kofronová, Research Institute of Technical and Vocational Education

Mr Felix Koschin, University of Economics

Mr Pavel Kuchar, Institute of Social Sciences

Mr Jaroslav Kux, Czech Statistical Office

Mr Jaroslav Mullner, Czech Moravian Trade Union of Workers in Education

Mr Jan Příbyl, Ministry of Labour and Social Affairs

Ms Jana Švecová, Education Policy Centre

Mr Jirí Vojtech, Research Institute of Technical and Vocational Education

OECD Reviewers for the visit 20-30 May, 1997

Mme Marianne Durand-Drouhin

Directorate for Education, Employment, Labour and Social Affairs

OECD

Paris, France

Mr Niels Hummeluhr

Copenhagen, Denmark

Mr Phillip McKenzie

Directorate for Education, Employment, Labour and Social Affairs

OECD

Paris, France

Mr Gregor Ramsey (Rapporteur)

TASA

Sydney, Australia

NORWAY

National Co-ordinator

Ms Inger Iversen
Department of Upper Secondary Education
Ministry of Education, Research and Church Affairs

Working Team for the Background Report

Overall Responsibility

Mr Ole Briseid, Ministry of Education, Research and Church Affairs
Mr Morten Reymert, Ministry of Local Government and Labour

Ministry of Education, Research and Church Affairs

Ms Inger Iversen, Department of Upper Secondary Education
Ms Frida Tangen, Section for Curriculum Planning
Mr John Christian Christiansen, Section for Curriculum Planning
Ms Nina Rieker, Section for Curriculum Planning Senior
Mr Thomas Gakkestad, Section for Curriculum Planning
Mr Morten Norlie, Section for Educational Development and Outcome Monitoring
Mr Peder Stokke, Section for Educational Development and Outcome Monitoring
Ms Else Høines, Section for Educational Development and Outcome Monitoring
Ms Eli-Karin Flagtvedt, Section for Educational Development and Outcome Monitoring
Mr Vidar Sollien, Section for Planning and Economic Administration
Ms Berit Tokle, Section for Planning and Economic Administration
Ms Kari Østvedt, Department of Higher Education
Ms Gro Beate Vige, Department of Higher Education
Ms Hanne Krogh, Section for Study Programmes:

Department of Labour, Ministry of Local Government and Labour

Mr Dagfinn Hansen
Ms Tone Hobæk
Mr Sverre Friis-Petersen

In addition interviews were conducted with representatives of:

The Norwegian School Student Union (NGS)
The Norwegian student Council Board (NEO)
Teachers' Union Norway (Lærerforbundet)
Norwegian Union of School Employees (Skolenes Landsforbund)
The Confederation of Norwegian Business and Industry (NHO)
The Confederation of Trade Unions (LO)
The Training Council for Electromechanical, Mechanical and Engineering Trades (ORMET)

OECD Reviewers for the visit to Norway 15-24 October, 1997

Mr Phillip McKenzie
Directorate for Education, Employment, Labour and Social Affairs
OECD
Paris, France

Ms Eleonora Schmid
General Directorate for Technical and Vocational Education
Federal Ministry of Education and Cultural Affairs
Vienna, Austria

Mr David Stern
National Center for Research in Vocational Education
University of California
Berkeley, United States of America

Mr Richard Sweet (Rapporteur)
Dusseldorp Skills Forum
Sydney, Australia

PORTUGAL

National Co-ordinator

Mr Domingos Fernandes, Department of Secondary Education, Ministry of Education

Preparation of the Background Report

Editorial Team: Ms Alexandra Figueiredo, Ministry of Education

Mr António Palma, Ministry of Education

Participating organisations and representatives:

Ministry of Education

Department of Basic Education - Mr José Alberto Leitão

Department of Higher Education - Ms Maria Luis Rocha Pinto

Department of Evaluation, Forecasting and Planning - Ms Emília São Pedro

Cabinet for European Affairs and International Relations - Ms Maria de Fátima Serrano

Ministry for Qualification and Employment

General Direction of Employment and Professional Training - Ms Margarida Abecassis

Institute of Employment and Professional Training - Mr Jorge Matias

Institute of Employment and Professional Training - Ms Paula Santos

Secretary of State for Youth - Ms Adelaide Franco

Interministerial Commission for Employment - Ms Margarida Abecassis

National Institute of Statistics - Mr João C. Farrajota Leal

General Workers Union - Mr José Assis Pacheco

Portuguese General Confederation of Workers - Mr Luis Costa

Confederation of Farmers in Portugal - Mr José Vasconcelos

Confederation of Trade and Services of Portugal - Mr Luis Faria

Confederation of Portuguese Industry - Mr Nuno Guedes Vaz

OECD Reviewers for the visit 3-12 December, 1997

Mr Per Olaf Aamodt

Norwegian Institute for Studies in Research and Higher Education

Oslo, Norway

Mr Phillip McKenzie

Directorate for Education, Employment, Labour and Social Affairs

OECD

Paris, France

Ms Nevzer Stacey (Rapporteur)

Office for Educational Research and Innovation

United States Department of Education

Washington DC, USA

M. Patrick Werquin

Ingénieur de recherche chargé d'études

Centre d'études et de recherches sur les qualifications

Marseilles, France

APPENDIX 2:
COMMISSIONED PAPERS

- AINLEY, John (1996), *Learning about Work in General Secondary Schools*, Australian Council for Educational Research, Melbourne, September.
- HANNAN, Damian., RAFFE, David and SMYTH, Emer (1996), *Cross-National Research on School to Work Transitions: An Analytical Framework*, Economic and Social Research Institute, Dublin, September.
- HUMMELUHR, Niels (1997), *The Youth Guarantee in Nordic Countries*, Copenhagen, December.
- LASSNIGG, Lorenz (1998), *Youth Labour Market Policy in Austria*, Institute for Advanced Studies, Vienna, March.
- MARQUARDT, Richard (1998), *Labour Market Policies and Programs Affecting Youth in Canada*, Ottawa, April.
- RUMBERGER, Russell & LAMB, Stephen (1998), *The Early Employment and Further Education Experiences of High School Drop-Outs: A Comparative Study of the United States and Australia*, University of California, Santa Barbara, May.
- YOSHIMOTO, Keichi (1996), *Transition from School to Work in Japan*, Kyushu University, September.

APPENDIX 3:
QUESTIONS TO GUIDE COUNTRY REVIEWS
(NOVEMBER 1996)

1. Each participating country will prepare a background report to inform the team of reviewers, draw their attention to issues which should receive special attention during the country visits, and provide material for the final analytical volume. The country background report will be based on two types of questions: a *common core* of questions addressed to all participating countries; and *supplementary questions* tailored to individual countries' needs and circumstances.

2. *The supplementary questions* will be developed in consultation with the countries concerned. There may be two sources for such questions: particular issues or policy developments identified by the country authorities as of high priority in the national context, and which are not fully addressed in the common core of questions; and questions prompted by other material available to the Secretariat, such as reports from the VOTEC activity and the follow-up phase of the Jobs Study.

3. The questions listed below are suggested as the *common core* for participating countries. They are intended to draw-out a problem-oriented and dynamic view of transition issues from each country. The suggested questions do not aim to collect a great deal of contextual or descriptive information concerning national education systems, institutional arrangements at the interface between education and the labour market, or statistical profiles of national economies. Such information should not be absent from the background reports, but it can to a large extent be extracted from existing OECD and national materials.

4. Due to differing contexts and circumstances in the participating countries, the questions will vary in the extent to which they are judged to be central to national concerns. Some questions may be seen to be more or less relevant, or be perceived in different ways, from country to country. Such nuances and differences in emphasis will be one of the main interests of the review, but the review itself needs to be based on a common list of questions to which all participating countries respond. However, it is recognised that country authorities may wish to combine, rephrase or expand certain questions in the light of particular national circumstances. The key requirement is that the issues underlying the questions are addressed in the country background reports. Responses to the questions may be supplemented by material extracted from existing reports and data tables. Suitably annotated, these would be important inputs to the review. Where relevant reports and studies exist, these could be included along with the country background report, and a brief cross-reference made in the background report.

5. For some questions brief answers may be appropriate initially, to be followed by more extensive responses at the time of the reviewers' visit. The Secretariat may follow up with requests for clarification of responses. Country authorities will be able, at the time of the reviewers' visit or subsequently, to add to or revise the material provided in their initial response to the questions.

6. The country background report would need to be provided to the Secretariat at least one month in advance of the case study visit.

Common Questions for the Country Background Report

The grouping of the questions is intended to provide the structure for the country background report. To be useful to country authorities and to the review itself, the country background report should aim to be an integrated document rather than a list of responses to individual questions. As noted earlier, country authorities may wish to combine, rephrase or expand certain questions. The questions are intended as prompts; the key requirement is that the issues underlying the questions are addressed.

1. Contextual and institutional factors

In addition to the discussion and analysis prompted by the questions listed below, the country background report will also include material on contextual factors and institutional frameworks relevant to the transition to working life. Such information can be largely extracted from existing OECD and national materials. The Secretariat will work with the participating countries to identify sources of relevant information and the need for any updating or supplementation. The material concerned will cover broad trends in socio-demographic structure, the structure of the economy and labour market, the organisation of the education and training system, and its articulation with the labour market. The contextual and institutional material should be kept relatively short. It is intended to give a sense of the broad developments shaping the current situation concerning young people's transition to work.

2. Clarification of perceptions

The review has adopted a broad conception of the term "the transition from initial education to working life". It was defined as the time during which young people move from their principal activity being full-time schooling (or its vocational equivalent) to that in which their principal activity is work. When the age group as a whole is considered, this period may last for up to 15 years - from the time when young people are in junior secondary school to when they are in their late twenties. It is recognised that countries may not define the area in this way, and that different perceptions of the scope of transition policy may well influence how countries frame their background report. Therefore, this section should attempt to spell out the scope and meaning applied when discussing transition issues in the country concerned. Where key actors differ in the perceptions that they hold, this should also be identified.

- In policy formation terms, at which stage(s) in initial education is transition broadly considered to begin? At which point(s) is transition to working life broadly considered to have concluded?
- What groups or age spans of young people are generally considered to come within the scope of transition policies?

3. Concerns about transition processes and outcomes

To provide a basis for considering policy responses, the review seeks to establish the range of concerns that countries presently face in the area of transition. This requires identifying major trends in the position of young people in terms of education, training and labour market activities, and elaborating which aspects are considered problematic.

The section should commence with an outline of the education, training and work pathways that different groups of young people are actually pursuing at the present time, and an indication of how these have changed in recent years. At a minimum, this will involve data on education and labour force participation among the 15-29 year-old age group, disaggregated as far as possible by single year of age and gender. Where the data allow, particular attention could be paid to the extent to which certain groups of young

people have forged new strategies and itineraries after initial education and training (e.g. combining work and study outside of apprentice-type arrangements; self-employment; temporary employment -- combined with temporary "dropping out", or with temporary further education and training; holding several jobs at the same time; prolonging participation in education; and dropping out of both education and the labour market).

Some of the data necessary for this section are already held by the OECD or available in national sources, and the Secretariat will work with participating countries to identify relevant information. This consultative process will attempt to ensure that the data presented in country reports are comparable; a lot of work in this regard has already been undertaken through the INES project and the VOTEC activity on pathways. Where it is not possible to provide comparable data, attention will be drawn to the limitations of existing information. It is not envisaged that new data will be collected as part of the review, although gaps and limitations identified through the review process could well inform future data collection efforts.

A number of different aspects of young people's education, training and labour market activities are listed below to help stimulate this section. The prime requirement is that where a particular aspect is considered to reflect an area of concern, the basis of the concern be documented by relevant quantitative or qualitative information. It is also important to identify which particular groups of young people (e.g. in terms of social class, linguistic or ethnic background, gender, or geographical region) are the focus of concern.

Concerns about education and training activities

- the availability of, and participation in, education and training opportunities: are there marked differences among regions and different groups of young people in the availability and take-up of opportunities?
- dropping-out before completing secondary school or obtaining recognised labour market qualifications: how many are affected, and with what consequences?
- the length of time that young people spend in initial education and training before obtaining employment: is initial education and training considered too long and costly?
- the extent of inter-connectedness in terms of level and content of programme between different education and training pathways: is mobility available and practised between (say) vocational and general education programmes, and between different types of post-secondary institutions?
- the credibility, transportability and flexibility of certification and qualifications: do young people obtain qualifications that are accepted in the labour market, which are portable across different parts of the labour market or regions, and which facilitate re-entry to education and training opportunities?
- the development of work-related competencies and attitudes: are young people considered well-prepared for changing work content and skills, and for the necessity for lifelong learning?

Concerns about the labour market

- the demographic context: is the number of young people arriving on the labour market imposing problems or likely to do so in coming years?
- the number and type of employment opportunities for young workers: is the quantity and type of employment available to the young considered satisfactory? Where do the major concerns lie? Which groups are most at risk of under-employment, unemployment, or dropping out of the labour market altogether?
- the level of youth wages and labour costs relative to adult rates: are youth wage rates considered a barrier to greater provision of employment and training opportunities by enterprises?

Concerns about the interfaces between the education and training system and the labour market

- the congruence between the outputs of initial education and training and the labour market: are there considered to be major disjunctions or mismatches between young people's initial education and training experiences and labour market requirements?
- young people's exposure to the world of work: are there sufficient opportunities (in both quantity and quality terms) for young people to have first-hand experience of work before formally entering the labour market?
- teachers' knowledge of the world of work: how adequately are teachers prepared, either through initial programmes or on-going professional development, for teaching students about labour market conditions?
- career guidance and orientation services: how extensively and effectively are these organised, and what could they do to improve transition from education to work?
- full-time students working part-time: how secondary students work part-time and in which types of jobs? Which types of students? What evidence is there of the impact of part-time work on either educational development or employability?
- the relationship between early employment and subsequent career development: to what extent does young people's early employment experience affect their access to, and participation in, training and other opportunities for career development?

4. Changing expectations and objectives

One of the main challenges in the transition area is the range of actors and interest groups involved. The expectations and objectives held are likely to differ significantly among and within groups, and in many respects the various interests may not be compatible with each other. Moreover, the expectations and objectives are not static but change in response to altered circumstances and perceptions of what it is possible and desirable to achieve. This section seeks to identify the range of expectations and objectives held concerning the transition to work, and whether these are changing over time. This section will provide the backdrop to the later consideration of policy responses. Much of the material in this section is likely to be impressionistic. However, where possible, relevant studies or sources of information should be documented.

Young people

- What is known about the expectations and attitudes of different groups of young people and their families with regard to different forms of education and work, and individual and social development more generally? Have major changes been observed in recent years?

Policy makers and providers

- What are the declared concerns, expectations and objectives of different levels of government and different government authorities with regard to young people's transition from initial education to working life, and their individual and social development more generally?
- To what extent are young people allowed or expected to construct their own routes through education and training and into employment? What support mechanisms are in place to facilitate this?

Industry

- What are the expectations and strategies of different groups of employers and trade unions with regard to young people making the transition to work?

5. Policy changes

The review seeks to document the major policy changes that are either underway or planned to improve the transition to working life and the factors which determine the success or otherwise of those policies. As part of this it is important to better understand the range of actors involved in the policy formation process, the factors behind the changes that have been initiated, and the way in which policy implementation is monitored. It would be helpful if this section of the country background report could be supplemented by extracts from, or copies of, major policy documents and discussion papers.

The policy formation process

- How are the policy and programmatic responsibilities for the transition from initial education to working life distributed across and within different levels of government?
- To what extent are education and training providers, non-government organisations and community groups involved in policy formation in this field?
- How do employers communicate their expectations and needs to the education and training system? Are there any particularly effective institutional frameworks, networks or programmes for regular dialogue and common action between employers and educators?

Recent and proposed policy changes

- In recent years what major reforms of curriculum, educational governance, education and training pathways, certification systems, or types of educational providers have been undertaken with a view to improving the transition to working life? What were the reasons for the changes and what effects are becoming apparent?

- Have any special measures been initiated in order to facilitate co-operation between schools and enterprises? How extensive are these? What impact have they had?
- What is being done to prevent dropping out before obtaining recognised labour market qualifications, and to reorient dropouts towards further education and training?
- Have significant changes been introduced in the relationship between youth and adult wages or with regard to training allowances? What impact on transition is evident?
- What changes have been introduced or planned in the active labour programmes for young people who are unemployed or at risk of unemployment? What are the reasons for these changes? What impacts are the new programmes having?
- What other major changes affecting transition have been recently introduced or are planned? What are the reasons behind these changes and what impact are they having?

Monitoring and research

This section seeks to identify the processes and information sources that are used to monitor the impact of policies and changing conditions in the transition from initial education to working life.

- Have any typologies of education, training and transition pathways been developed which allow documentation of the distribution of different groups of young people across different itineraries into work?
- What “indicators” are available of the transition from initial education to working life, and the other social transitions of young people? What are their strengths and weaknesses in assisting policy development and monitoring? Where are the major information gaps?
- To what extent are regular data bases (e.g. labour force surveys, follow-up studies of school leavers, longitudinal or cohort studies) available and used in policy making and monitoring? What are their respective strengths and weaknesses?
- What are the most significant results of qualitative studies of transition undertaken in recent years?
- In terms of research by academics and research institutions, which aspects of transition receive the most attention, and which receive the least? By what means have the authorities attempted to stimulate and focus research in this area, and with what effect?

APPENDIX 4:
**USING LABOUR MARKET INDICATORS OF TRANSITION OUTCOMES IN COMPARATIVE
STUDIES**

National transition indicators

1. In some respects the effectiveness at the national level of the transition from initial education to working life can be judged by education indicators. Such indicators might include upper secondary graduation rates, educational attainment levels, rates of transition between lower- and upper-secondary education, or rates of participation in tertiary education. Ultimately, however, it is in the labour market that the effectiveness of young people's preparation for work must be judged. This Appendix discusses the merits, within international comparative studies, of a variety of broad labour market indicators in assessing the transition outcomes achieved by young people. It concentrates upon indicators that can be obtained fairly readily from standard labour force surveys, rather than upon indicators -- such as the proportion of time in the first five years out of education spent in employment -- that require special surveys or longitudinal studies. Employment, unemployment, activity or inactivity are its main focus, as these have been the principal national indicators used within public policy debates to assess young people's success or otherwise in moving from initial education to working life. Other indicators such as earnings, labour turnover or the utilisation of skills are not included. Nor does the discussion cover indicators such as job satisfaction or self-esteem that look at the success or otherwise of transitions from the young person's perspective.

Teenage unemployment rates or unemployment to population ratios?

2. The unemployment rate among teenagers has been used widely, in the media as well as in public policy debates, as a key indicator of the difficulties that young people experience in the transition from initial education to working life. It framed much of the analysis of transition difficulties in the OECD's examination of the entry of young people into working life in the 1970s (OECD, 1977). Typically derived from national monthly labour force surveys, it measures the proportion of 15-19 year-olds in the labour force who are seeking work and who are available for work. As an indicator of difficulties in the transition from initial education to working life it has its greatest value when labour force participation rates are high among 15-19 year-olds (and conversely when education participation rates are low) and when the transition from education to the labour force is fairly sharp, with little overlap occurring between education and working life.

3. The first of these conditions certainly applied in the mid-1970s, with full-time educational enrolments rates among 17 year-olds averaging 45 per cent among 20 OECD Member countries in 1974, compared to total enrolment rates for 17 year-olds in the same group of countries that averaged 86 per cent in the mid-1990s¹⁰. The second condition is more likely to have applied in the mid-1970s than in the mid-1990s, not the least because twenty years ago opportunities for students to hold part-time jobs and otherwise to combine learning with earning were substantially fewer in many countries than they are at present. In the mid 1980s it is certainly true that these opportunities were less than at present (OECD, 1996b). While a key indicator in the mid-1970s, the unemployment rate among teenagers has become of less value as a measure of transition difficulties as education participation rates have risen, and as the boundaries between education and the labour market have become more blurred.

4. As the proportion of young people who are in the labour force falls, most commonly because of rising participation in full-time education, the teenage unemployment rate applies to an increasingly small proportion of youth. For example, while the unemployment rate among 15-19 year-olds in France in 1996 was 25 per cent, only 7 per cent of 15-19 year-olds were in the labour force (Table A4.1). In Canada the unemployment rate among 15-19 year-olds in 1996 was 20 per cent, but 47 per cent of the age group were

10. Sources: OECD (1977), Table 2 and OECD (1997d), Table C3.1.

in the labour force, nearly seven times the proportion observed in France. In the case of France less than 2 per cent of the total age group were seeking work. In the case of Canada around 10 per cent of the age group, or five times the proportion, wanted work but were unable to find it. Conversely, the teenage unemployment rate in Spain in 1996 was, at 45 per cent, over twice as high as the Australian rate of 20 per cent, and was the highest in the OECD. Yet because the teenage labour force participation rate in Spain is less than half that in Australia, the proportion of all teenagers unemployed in the two countries was quite similar -- 12 per cent in Spain and 11 per cent in Australia.

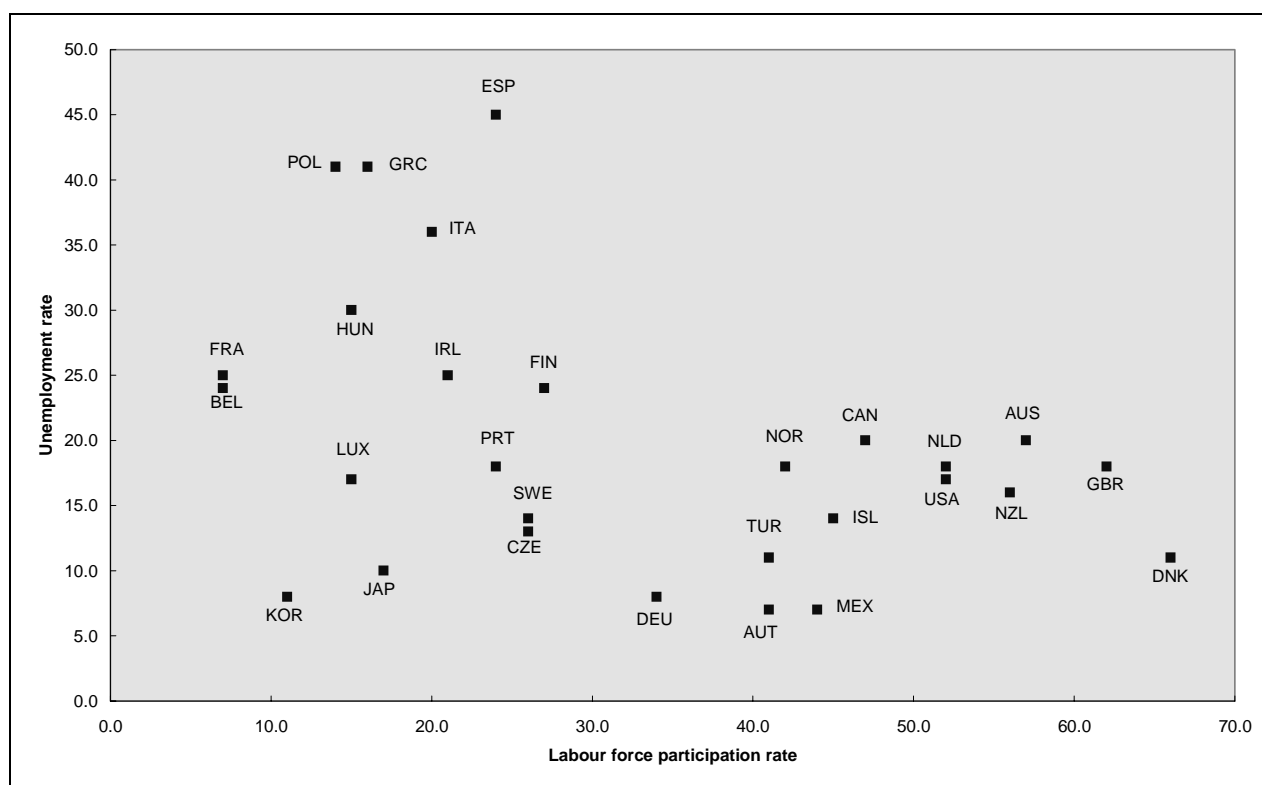
5. Two lessons spring from this analysis: quite similar unemployment rates can mask very large differences in the proportion of the teenage population affected by unemployment; and widely differing teenage unemployment rates can mask close similarities in the proportion of the teenage population who are seeking work. Another lesson is that conventional unemployment rates tend to provide an inflated picture of the scale of the unemployment problem within OECD Member countries. For these reasons the teenage unemployment to population ratio -- the proportion of the total population aged 15-19 that is unemployed -- generally provides a better indication of the relative scale of transition difficulties.

Table A4.1 Labour force participation rates, unemployment rates and unemployment to population ratios, 15-19 year-olds, 1996

	Labour force participation rate (A)	Unemployment rate (B)	Unemployment to population ratio (A*B)
Australia	57	20	11
Austria	41	7	3
Belgium	7	24	2
Canada	47	20	10
Czech Republic	26	13	3
Denmark	66	11	7
Finland	27	24	6
France	7	25	2
Germany	34	8	2
Greece	16	41	7
Hungary	15	30	5
Iceland	45	14	6
Ireland	21	25	5
Italy ^{1,2}	20	36	7
Japan	17	10	2
Korea	11	8	1
Luxembourg	15	17	2
Mexico	44	7	3
Netherlands	52	18	9
Norway ³	42	18	8
New Zealand	56	16	9
Poland ¹	14	41	6
Portugal	24	18	4
Spain ³	24	45	12
Sweden ³	26	14	4
Turkey	41	11	5
United Kingdom ³	62	18	11
United States ³	52	17	9

Notes: 1. 1995; 2. 14-19; 3. 16-19 Source: OECD labour force data base

Figure A4.1 Labour force participation and unemployment rates, persons aged 15-19, 1996



Source: OECD labour force data base

6. A further problem when using teenage unemployment rates to make international comparisons of young people's transition difficulties is that there tends to be an inverse relationship between labour force participation and unemployment rates (Figure A4.1). Youth unemployment rates tend to be lower in countries where many teenagers participate in the labour force and higher in those where few participate (OECD, 1996b). This arises for two reasons:

- the relatively small numbers of young people who leave school when enrolment rates are high are more likely to be those who, under any circumstances, will have the most difficulty in finding work: those with low levels of educational attainment, behaviour problems, or poor motivation, for example. Such young people will comprise a bigger share of the young unemployed when the proportion of youth in the labour market is low.
- In those countries where few students leave school early but many young people combine education and work, unemployment rates are generally lower among students than among non-students¹¹. This is particularly evident in countries with extensive apprenticeship systems, since the apprentices are classified as workers in labour force surveys.

11. Whilst there is minimal variation among the generally fairly low unemployment rates found among teenagers in countries in which labour force participation rates are high (30 per cent or more), unemployment rates among teenagers vary widely among that group of countries in which teenage labour force participation rates are low. On the one hand countries such as Korea, Japan and the Czech Republic

Students or non-students?

7. When using national unemployment measures as indicators of young people's transition difficulties, the use of unemployment to population ratios rather than unemployment rates will overcome the problems that result from the distorting impact of widely varying national labour force participation rates. But it does not overcome the difficulties that result from the growing overlap between educational participation and labour force participation among young people. This overlap can have two consequences. First, it can make unemployment appear relatively lower through the inclusion of apprentices within the numerator when unemployment rates are being calculated. In the case of Austria, Germany and Switzerland, for example, some one in four or more of all 15-19 year-old students are also in programs such as apprenticeships, and all of these are counted within the normal labour force survey as employed. In each country those who are both employed and attending education constitute two thirds or more of the total number of employed 15-19 year-olds, and 80 per cent or more of all 15-19 year-olds are participating in education. In such cases both unemployment rates and unemployment to population ratios appear quite different if calculated using only non-students rather than the total labour force or population (students plus non-students) aged 15-19. For example, in the case of Germany the unemployment rate for the age group is 8 per cent when calculated using the total 15-19 year-old labour force, but 21 per cent when calculated using only the non-student labour force (Table A4.2). In all three countries the unemployment rate among 15-19 year-olds is at least twice as high in the non-student labour force as in the total labour force of the same age. In all three countries only two per cent of all 15-19 year-olds are looking for work, yet the unemployment to population ratio rises to five times or more this level when only the non-student population is considered.

Table A4.2 Unemployment rates and unemployment to population ratios in apprenticeship countries, persons aged 15-19, 1996

	Unemployment rate calculated using:		Unemployment to population ratio calculated using:	
	Non-student labour force	Total labour force	Non-student population	Total population
Austria	12	6	10	2
Germany	21	8	17	2
Switzerland	17	5	12	2

Source: INES Network B special collection on school-to-work transition, 1998.

8. The second consequence of the overlap between teenagers' educational participation and their labour force participation is that it can make the total number of teenagers who are unemployed appear relatively high. This will be the case where large numbers of full-time students have part-time jobs, and where many of those counted as unemployed in labour force surveys are students seeking part-time work rather than non-students seeking a full-time job. In Norway in 1996 for example, 81 per cent of the 16-19 year-olds recorded as being unemployed in the labour force survey had education as their principal activity at the same time as they were seeking part-time work¹². Where there is a positive association between early labour market engagement by teenagers and the chances of gaining employment as a young

manage to combine low participation rates with low teenage unemployment rates. On the other hand in countries such as Spain, Poland, Italy and Greece, low rates of teenage labour force participation are associated with high rates of teenage unemployment.

12. Source: National authorities.

adult, such job search activity can be an indicator of effective rather than ineffective national transition frameworks.

Table A4.3 The impact of student labour force participation upon the measured unemployment rate, 15-19 year-olds, 1996

	Unemployment rate calculated using:			Unemployment to population ratio calculated using:		
	Per cent of students in the labour force	Total labour force	Non-student labour force	All unemployed as numerator and total population as denominator	Non-student unemployed as numerator and total population as denominator	Non-student unemployed as numerator and non student population as denominator
	(A)	(B)	(C)	(D)	(E)	(F)
Australia	48	20	26	12	6	23
Austria	34	6	12	3	2	10
Belgium	3	23	32	2	2	13
Canada	38	20	29	9	4	22
Czech Republic	3	14	15	3	3	11
Finland	26	47	25	16	3	21
France	5	25	58	2	2	39
Germany	26	8	21	2	2	17
Greece	2	41	40	7	6	30
Italy	2	36	35	7	6	22
Spain ¹	6	45	41	12	9	34
Sweden ²	18	22	23	5	2	14
Switzerland	50	5	17	2	1	12
United Kingdom ²	53	18	29	11	7	24
United States ²	37	16	22	7	3	15

Notes:

1. 14-19
2. 16-19

Source: INES Network B special collection on school-to-work transition, 1998. Differences between Tables A4.1 and A4.3 in unemployment rates and unemployment to population ratios are generally due to differences in reference periods, with the Network B pilot collection being limited to the March to May period rather than to annual averages. For example in the case of Finland the period used for the pilot collection coincides with significant numbers of students seeking part-time employment. In the case of Sweden the difference can also be attributed to definitional differences, with the Network B collection conforming more closely to ILO definitions than the data sources used for Table A4.1.

9. The impact of student job seekers upon teenage unemployment measures varies widely among OECD countries, and within countries over time. It is the outcome of a number of factors, including total enrolment rates, the extent to which the employment of students arises from apprenticeship-type arrangements rather than from part-time work out of school hours, and whether unemployment rates are higher or lower in the student labour force than in the non-student labour force. In general it appears that teenage unemployment rates are lower than would otherwise be the case when students in the labour force are included in unemployment calculations, as unemployment rates are generally lower among students

than among non-students (which can be inferred from Table A4.3, columns B and C). Nevertheless in the case of Greece, Italy and Sweden the two rates are virtually the same, and in Finland the rate is higher among students than among non-students.

10. Where significant numbers of students are in the labour force, unemployment to population ratios will be substantially affected by the inclusion or non-inclusion of unemployed students. For example in Australia, where nearly half of all 15-19 year-old students are in the labour force, the unemployment to population ratio is halved from 12 per cent to 6 per cent when unemployed students are excluded from the numerator (Table A4.3, columns D and E). On the other hand in France, where very few students are in the labour force, the unemployment to population ratio is changed very little by a similar exclusion of unemployed students. Where unemployment to population ratios are calculated using only non-students in both the numerator and the denominator (column F), the resulting indicator will again show the relative rankings of countries, as well as the apparent scale of the unemployment problem, quite differently. France, for example, is one of the countries which has the lowest proportion of all 15-19 year-olds who are unemployed of the 15 countries in Table A4.3 (2 per cent), yet it has the highest proportion of non-student 15-19 year-olds who are looking for work (39 per cent). Unemployment to population ratios that are based only upon non-students are highly influenced by educational participation rates, and as such, when educational participation rates are high, are more an indicator of the labour market difficulties of a small group of the least qualified early school leavers than of the transition problems faced by youth as a whole.

11. It is clear from Table A4.3 that the relative ranking of countries on these various unemployment-based indicators of teenagers' transition difficulties can vary widely according to whether unemployment rates or unemployment to population ratios are used, and according to whether labour force participation by students is included or excluded from the calculation.

12. What is also clear is that using the number of non-students who are seeking work as a proportion of the total population of 15-19 year-olds as the measure of the scale of teenagers' transition difficulties leads to substantially lower measures of the overall scale of the youth transition problem than does the use of conventional teenage unemployment rates. Greece, for example, has a 41 per cent unemployment rate among teenagers using conventional unemployment rates, but only 6 per cent of the total 15-19 year-old population are non-students who are unemployed. In the United Kingdom a conventional teenage unemployment rate of 18 per cent sits beside the fact that only 7 per cent of that country's 15-19 year olds are non-students who are looking for work.

13. *In summary, if unemployment-based measures are to be used as national indicators of teenagers' transition difficulties:*

- *Unemployment to population ratios are to be preferred to conventional unemployment rates; and*
- *Unemployment to population ratios that are calculated using only non-students in the numerator and the total population in the denominator are to be preferred to those that use both students and non students in both.*

Youth inactivity rates

14. Unemployment is only one of the ways in which lack of success in the transition from initial education to working life can be judged. Transitions to insecure part-time work, or to inactivity -- engaged neither in education nor in the labour market -- are others. Of the two, the second category is

often more readily assessable in labour force surveys. A more comprehensive measure of transition difficulties than unemployment might be the proportion of young people who are engaged neither in education nor in employment -- in other words the sum of non-students who are unemployed and non-students who are not in the labour market, expressed as a proportion of the age group. Table A4.4 shows this inactivity measure, and compares it to unemployment to population ratios derived by including non-students in the numerator and students plus non-students in the denominator (taken from Table A4.3, column E).

Table A4.4 Inactivity measures and unemployment to population ratios, persons aged 15-19, 1996

	Not in education and not employed as a per cent of the population	Non-student unemployed as a per cent of the population
Australia	9	6
Austria	7	2
Belgium	9	2
Canada	8	4
Czech Republic	12	3
Finland	6	3
France	3	2
Germany	4	2
Greece	11	6
Italy	16	6
Spain ¹	14	9
Sweden ²	7	2
Switzerland	3	1
United Kingdom ²	12	7
United States ²	8	3

Notes:

1. 14-19

2. 16-19

Source: INES Network B special collection on school-to-work transition, 1998.

15. Among the 15 countries shown in Table A4.4, the size of that group of 15-19 year-olds who are inactive (unemployed and not studying or engaged neither in education nor the labour force) is, on average, two and a half times as great as the group represented by non-student job seekers alone. Use of this broader inactivity measure suggests a larger group of young people experiencing difficulties in the transition from initial education than does the use of a measure of the incidence of unemployment among non students. However, it has only a lesser impact upon the relative ranking among countries, with most countries retaining quite similar rank orders whichever measure is used.

16. While the active engagement of all young people in education, employment, training or job search is a common goal among OECD Member countries, caution needs to be expressed at the suggestion that all of those young people who are engaged neither in education nor in the labour force are experiencing difficulties in the transition to work. In some countries -- for example in Norway among the countries reviewed in 1997 -- it is very common for young people to take a period out of both study and work in their late teens and early twenties in order to travel or to undertake voluntary service. These activities are commonly seen by young people themselves as constructive, allowing the development of resourcefulness, language skills, an international outlook and independence. Such activities are often also

recognised as of value in higher education selection. Where countries have strong currencies and high GDP per capita this form of activity can become quite readily available to young people. Data provided in the Norwegian Background Report shows that in 1994 nearly one in four 19 year-olds in that country were neither working, studying nor unemployed, more than seven times the number of registered unemployed. Among 24 year-olds the comparable figure was over one in six.

17. In the Czech Republic it has been estimated that around a third of education leavers who are registered as unemployed have in fact been voluntarily so in the sense that they are either travelling abroad or prolonging their last holidays after having left education (Kuchar, 1998). The Czech social security system has allowed such people to be registered as unemployed and to collect income support for some period of time.

18. Australian data provided to the review (Table A4.5) shows that this group of "inactive" young people can be quite diverse in its composition. Home duties and child care make up the largest category (nearly half of the total), and for young women this is the major category. This is of concern to the extent that those included in the category are poorly qualified single parents with few education or employment re-entry pathways available to them. In Australia voluntary activities and travel or leisure account for one in six of the group, and illness, injury or disability account for a similar proportion.

Table A4.5 Persons aged 15-19, not in the labour force and not attending an educational institution, September 1997, Australia (per cent of group)

Main activity	Males	Females	Persons
Home duties, child care	0	73	49
Retired, voluntarily inactive	11	5	7
Disability, handicap	15	0	5
Illness, injury	17	6	10
Travel, holiday, leisure	28	4	13
Unpaid voluntary work	3	4	4
Other activities	25	6	12
Total	100	100	100

Source: Australian Bureau of Statistics *Persons Not in the Labour Force*, September 1997, Cat. No. 6220.0.

19. *In summary:*

-- *Inactivity measures can be a useful supplement to measures of the incidence of unemployment among non-students, but should be treated with caution, as some young people encompassed by them appear to be engaged in constructive activities rather than experiencing difficulties in the transition to work.*

Youth to adult unemployment ratios

20. Unemployment measures express something of the difficulty that young people experience in the labour market when competing with one another for work. But they also compete with adults for the available jobs. The ratio of the unemployment rate among youth to the unemployment rate among adults is one indicator of their success in this competition, and hence of the openness of labour markets to young new entrants. This openness can be a function of a number of factors: the widespread availability of employment and training places in firms, under-pinned by appropriate wage and employment contract arrangements; quality training arrangements that give young people the skills that they need to compete

effectively with adults; the availability of part-time employment opportunities for students; and the absence of restrictive employment protection arrangements that discourage employers from hiring new labour market entrants.

21. Youth to adult unemployment ratios¹³ averaged 2.4 among OECD countries in 1996, indicating that on average unemployment rates among youth were two and a half times as high as among adults. However, this ratio ranged from lows of 1.0 in Germany, 1.3 in Switzerland and 1.4 in Austria to highs of 3.6 in Italy and 3.8 in Greece and Korea. The preceding discussion would suggest that the labour markets in the former group of countries are more open to young people than are those in the latter.

Table A4.6 Standard and adjusted youth to adult unemployment ratios¹, 1996

	Derived from unemployment rates calculated using the full labour force	Derived from unemployment rates calculated using the non-student youth labour force and the full adult labour force
Countries reviewed in 1997		
Australia	2.2	2.3
Austria	1.4	1.4
Canada	1.9	2.2
Czech Republic	2.2	1.9
Norway	3.4	m
Portugal	2.6	m
Other countries		
Belgium	2.4	2.4
Finland	1.8	1.9
France	2.4	2.7
Germany	1.0	1.6
Greece	3.8	4.2
Italy	3.6	3.8
Spain ²	2.2	1.9
Sweden ³	2.2	2.5
Switzerland	1.3	1.6
United Kingdom ³	2.1	2.4
United States ³	2.8	2.8
Country Average⁴	2.2	2.4

Notes:

1. The ratio of the unemployment rate among 15-24 year-olds to the unemployment rate among 25-54 year-olds.

2. 14-19

3. 16-19

4. Based only on those countries for which both sets of data are available.

Sources: OECD labour force data base and INES Network B special collection on school-to-work transition, 1998.

22. There is extensive overlap between teenagers' educational participation and their labour force participation in countries with well-established apprenticeship systems such as Germany, Switzerland and Austria, and extensive involvement of full-time students in part-time work in countries such as Australia and Canada. Given the earlier discussion of the impact of educational participation upon other

13. The ratio of the unemployment rate among 15-24 year olds to the unemployment rate among 25-54 year olds.

unemployment measures this might suggest that youth to adult unemployment ratios calculated using unemployment rates that include students need to be treated with care. However, the impact of this upon youth to adult unemployment ratios that are based upon unemployment rates for 15-24 year-olds is not great. Teenagers commonly constitute a fifth or less of the youth (15-24 year-old) labour force, with this share tending to have fallen (OECD, 1996c), and the educational participation rates of young adults are substantially less than those of teenagers.

23. Table A4.6 shows youth to adult unemployment ratios calculated from unemployment rates that are based upon the full labour force, and comparable ratios calculated from unemployment rates obtained in the normal way for adults, but for 15-24 year-olds using only the non-student labour force. On average the ratios rise by only 9 per cent when the non-student youth labour force is used (from a mean of 2.2 to a mean of 2.4), and only in the case of Germany can an appreciable increase be observed. However, even with this increase, Germany remains well towards the lower end of the OECD experience. There is little change in countries' rank order using either method.

24. *In summary:*

- *Youth to adult unemployment ratios are a useful indicator of the extent to which young people are able to compete with adults for the available employment, and appear relatively insensitive to the overlap between young people's educational participation and their labour force participation.*

Teenagers or young adults? Employment or unemployment?

25. The confounding impact of educational participation upon labour market indicators of transition outcomes can be reduced by focusing upon the 20-24 year-old age group rather than upon teenagers. By this age labour force participation rates have risen, fewer young people are students, and a smaller proportion of young people are both students and labour force participants. In conjunction these features will reduce the disparity between unemployment rates and unemployment to population ratios, as well as reducing differences between indicators based upon student and non-student populations. Nevertheless, while educational participation has fallen considerably by age 24 compared to the teenage years, it still remains high among young adults, with one in four or more of 24 year-olds still participating in education in Denmark, Finland, Iceland and Norway. One in five or more of that age are participating in education in Australia, the United States, Belgium, the Netherlands and Sweden.

26. The 20-24 age group has two further attractions. It is an age at which family formation and child rearing are generally having a lesser impact upon the labour market participation of young women than is the case at age 25-29. And it is in the 20-24 age group that the results of foundations laid down by policies implemented in the immediate post-compulsory years (15-19) can be expected to begin to emerge. At ages 15-19 a very high proportion of young people are still the targets of transition policies rather than their beneficiaries. If national transition policies have been effective, a high proportion of those in their early 20s who have left education should reasonably be expected to have a job.

27. In conjunction these arguments point to the advantages of using transition indicators in the 20-24 age group that focus upon employment rather than unemployment. Such indicators are more likely to capture the benefits of effective transition frameworks, rather than the consequences of ineffective ones, and if based upon the non-student population will avoid complications resulting from the education-labour force overlap. Table A4.7 shows standard employment to population ratios for 20-24 year-olds based upon the total population, as well as, where available, employment to population ratios based only upon non-students (i.e. ratios with non-students in both the numerator and the denominator). As will be

apparent, employment to population ratios for 20-24 year-olds that are calculated from non-student populations are generally significantly higher than those based upon the total age group. In the same way that teenage unemployment to population ratios suggest that the scale of the youth transition problem is less than is suggested by teenage unemployment rates, non-student employment to population ratios for 20-24 year-olds suggest that the proportion of young people who make successful transitions is higher than is suggested by total employment to population ratios. Of the 15 countries in Table A4.7 for which both measures are available, the employment to population ratio is some ten percentage points higher when the non-student population is used than when the total population is used.

28. Figure A4.2 gives an example of the use of the employment to population ratio among 20-24 year-old non-students as an indicator of successful outcomes in comparative studies of transition. It shows that there is a strong positive relationship between engagement in the labour market by teenagers and employment among young adults. Those countries such as Switzerland, Austria, Canada, the United States, Australia and the United Kingdom, in which high proportions of teenagers are engaged in the labour market, whether through part-time work as students or through apprenticeships, are more likely to have high proportions of their young adults who are employed after leaving education. Conversely, in those countries such as Greece, Spain, France, Italy and Belgium that provide few opportunities for teenagers to become engaged in the labour market, the proportion of non-student young adults who hold jobs is markedly lower. The Czech Republic provides the only significant exception to the latter result.

Table A4.7 Employment to population ratios, total and for non-students, 20-24 year-olds, 1996

	Total population	Non-students¹
Australia	73	78
Austria	64	79
Belgium	56	70
Canada	65	70
Czech Republic	68	85
Denmark	74	m
Finland	62	63
France	59	64
Germany	66	78
Greece	55	60
Hungary	52	m
Iceland	73	m
Ireland	60	m
Italy ²	40	50
Japan	70	m
Korea	59	m
Luxembourg	59	m
Mexico	59	m
Netherlands	72	m
Norway	65	m
New Zealand	72	m
Poland ²	47	m
Portugal	53	m
Spain	36	60
Sweden	53	70
Switzerland	79	87
Turkey	48	m
United Kingdom	67	74
United States	70	76

Notes:

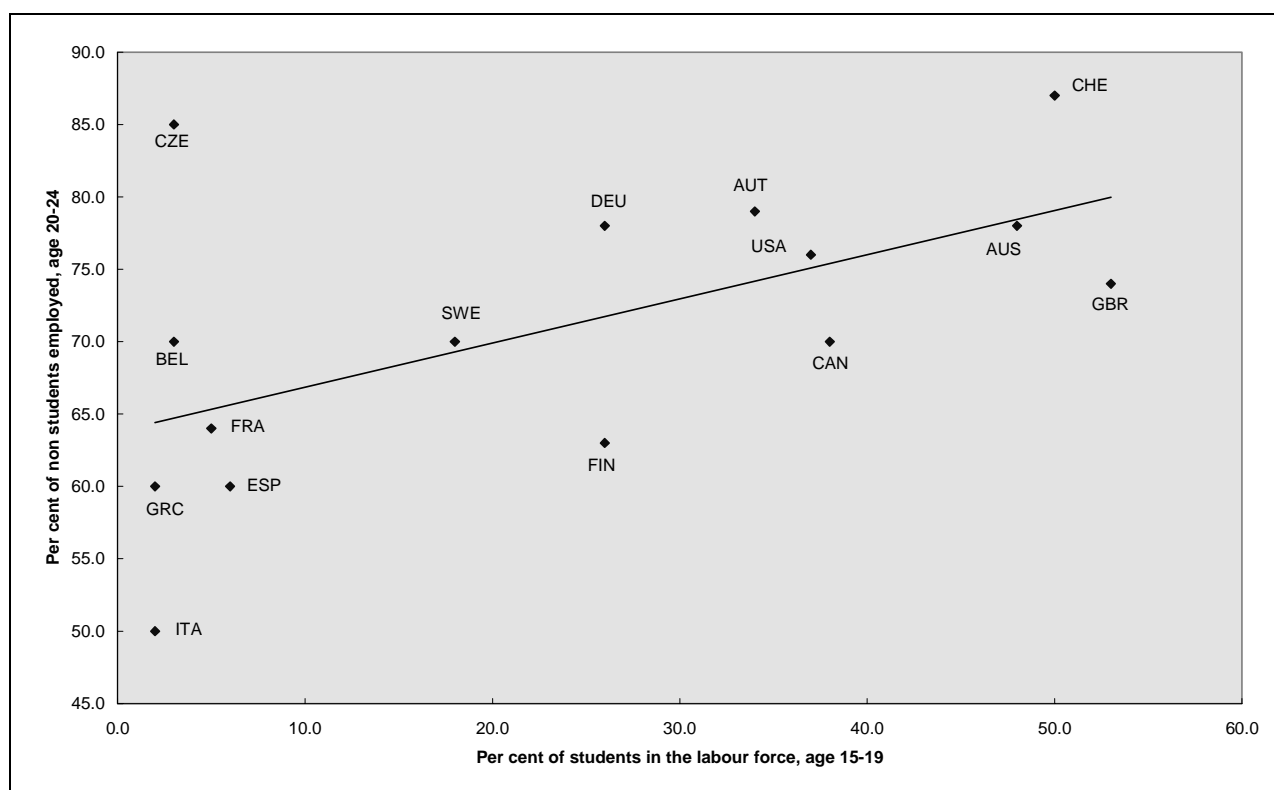
1. Per cent of non-students who are employed.

2. 1995

Sources: OECD labour force data base and INES Network B special collection on school-to-work transition 1998.29. *In summary:*

- *Employment to population ratios have many advantages over unemployment-based indicators when assessing the effectiveness of national transition frameworks. They have particular advantages when applied to young adult (20-24 year-old) non-student populations.*

Figure A4.2 Labour force involvement by teenagers and employment by young adults who have left education, 1996



Source: INES Network B special collection on school-to-work transition, 1998.

Conclusion

30. Youth unemployment rates should be used with caution in any attempts to compare the outcomes of national transition policies and programs. They should be used with particular caution when they apply to teenagers, and in nearly all circumstances unemployment to population ratios are to be preferred for this age group. Those unemployment to population ratios calculated using only non-students in the numerator and the total population in the denominator are even more preferable when teenagers are the focus of the analysis. Inactivity measures can be a useful supplement to unemployment-based measures of transition difficulties, but should be treated with some caution, as some young people who are involved neither in education nor in the labour force appear to be involved in activities that can make a constructive contribution towards their subsequent transition to work. Employment to population ratios have many advantages over unemployment-based indicators when assessing the effectiveness of national transition frameworks. They have particular advantages when applied to young adult non-student populations.