



WORKSHOP REPORT

Introduction

The workshop was aimed at officials of the European Commission and was stimulated by presentations from two EEO thematic experts (Sandrine Gineste, BPI, Paris, and Gerhard Bosch, IAQ, University of Duisburg Essen). It sought to explore why some countries fare better than others in achieving successful transitions from education to the labour market in general and during the crisis in particular and which policy and institutional contexts are most likely to ease such transitions and provide a buffer against the impact of the crisis.

Thematic background

Young people are among the groups most affected by the economic crisis and its repercussions on the labour market. At the end of 2009, average youth unemployment in the EU had risen to 21.4%; 4.5 percentage points (pp.) higher than the year before, thus a much stronger increase than for overall unemployment (+ 2.2 pp.). This picture disguises some stark variations between Member States. Whereas the unemployment rate among young people reached over 40% in Spain, Latvia and Lithuania in December 2009, it remained comparatively modest in the Netherlands (7.6%) and Germany (10.1%). Austria (12%) and Denmark (12.7%). The varying impact of the crisis on young people in the labour market is also demonstrated by the fact that in Germany, Luxembourg, Portugal, the Netherlands, Austria and Malta the growth in youth unemployment remained below 3 pp. , whereas the increase was above 10 pp. in Slovakia and Estonia and above 20 pp. in Lithuania, Latvia and Ireland compared to the previous year.

Workshop presentations

<http://www.eu-employment-observatory.net/en/documents/Meetings-Workshops.aspx?year=2010>

1) Sandrine Gineste: Main policy approaches to improving youth transitions

The analysis of recent policies for accelerating and improving the transition of young people from education into the labour market shows that Member States follow mainly three approaches:

- Improving the effectiveness of the **education** and **initial vocational education** and training system to reduce early drop out; improving the match between education and the labour market; and providing more flexible access to the education system.
- Improving **guidance** and **anticipation** systems by linking early guidance to anticipation systems; involving social partners in anticipation and linking this to regional development strategies.
- Enhancing **Active Labour Market Policies** aimed at young people including
 - The offer of individualised activation plans within a shorter timescale,
 - Enhancing or increasing the offer of apprenticeship places and work placement schemes,
 - Assistance for young entrepreneurs.

In the context of the crisis, the most commonly used measures appear to have been the extension of apprenticeship systems and placements; job subsidies or the reduction of non-wage labour costs; public service job creation measures; offers of extended stays in education and general measures to improve economic and labour market performance.

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2) G. Bosch: Impact of vocational training on youth transitions

In countries with well established and highly regarded vocational pathways (e.g. Germany, Austria, Denmark), these can offer a real buffer function helping to keep youth unemployment low. Research has shown that fast and stable transitions for young people are achieved in countries with well-recognised apprenticeship systems. Fast, but often unsustainable transitions tend to be experienced in market led systems, but the most difficult transitions tend to be found in countries dominated by a general education system and high levels of Employment Protection Legislation (EPL).

However, this does not mean that the development of apprenticeship systems can be a panacea. In Member States where there is no strong tradition and little recognition of apprenticeships, these and other vocational routes can simply become a way of circulating young people in the system, without improving their labour market outcomes in the short to medium term. Where apprenticeships and other vocational routes are perceived to be a poor substitute for higher education and are considered to be mainly targeted at low educational achievers, it is difficult - and potentially takes a very long time - to make such pathways effective and well recognised among employers, trainees and parents.

Critical to the success of apprenticeship based systems is the close link with the labour market and the strong buy-in of social partners, thus creating relationships between qualifications, work organisation, career development and reward systems. It also requires their permanent connection with the ongoing development of curricula and qualifications.

Social partnership also plays a strong role beyond the involvement of employers and trade union representatives in anticipating and influencing the development of training standards and requirements. Collective bargaining can also play its part in retaining opportunities for young people during the crisis if social partners develop a joint sense of “responsibility” to offer opportunities for young people. Examples of relevant agreements include short-time work or partial retirement measures which combine “sacrifices” among the existing workforce with the ability to recruit or retain apprentices even during difficult economic times.

Workshop discussions

This section provides a brief summary of the discussion which followed the keynote presentations.

Expenditure on measures taken to respond to the crisis, their evaluation, and short term versus long-term solutions

Some of the measures summarised in the presentation by Sandrine Gineste pre-date the crisis and are part of longer term strategies to reduce youth unemployment. It is evident that a number of these approaches do not offer a quick fix when it comes to improving labour market transition rates for young people. These include revisions to – or the introduction of - apprenticeship based systems, which rely heavily for their success on established reputation and recognition. The same also applies to wider changes and improvements to the education and vocational training system. As a result, the majority of measures which can be discerned as having been taken specifically as a result of the crisis focus on the offer of work placements, public works or other subsidy schemes, as well as the expansion of existing apprenticeship programmes.

Because of the recent nature of the measures specifically introduced to respond to the crisis, little evaluation evidence is available on their impact. In addition, the long-term sustainability of such outcomes will depend on future economic trends. Where information on outcomes is available, it indicates a higher success rate among measures combining training with longer-term work placements (around 12 months). Where specific measures have been developed for young graduates, some concerns remain about potential deadweight effects in targeting policies at individuals who are on the whole reasonably well placed to access employment.

It is difficult to estimate the amount of resources invested in such measures. Although figures on total spend on ALMPs are available from the OECD, these do not provide a full picture as funding of such

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initiatives in Member States is often shared between the budgets of different ministries (labour market, education and others). For the more recent measures, it is also difficult to obtain evaluation data. There is a need for further data collection in order to have a more solid basis for assessment of measures.

Funding of VET provision

There is a concern that VET provision as well as ongoing training is more difficult for SMEs to offer to their employees as a result of high marginal costs. Some countries have introduced levy systems in which the costs of offering training are mutualised. Similarly, in a number of countries there are networks of SMEs supported by government funds for networking costs, but with training costs covered by employers. Such networking can enable SME to bargain jointly for lower training costs from providers to achieve similar economies of scale which might be obtained by larger companies. It was considered interesting to explore such existing policy approaches and options in more detail.

The increasing role of tertiary education in the provision of vocational skills

As well as improving vocational routes, many countries have also seen changes in higher education pathways. A number of countries have set targets for entry into higher education. As research has found that, in the EU, only around 17%-25% of jobs actually require tertiary education standards, it is maybe inevitable that higher education systems are changing as a result to become, to some extent, more vocational in their approach. In Germany, for example, there is a concern that the increase in bachelor degrees (which often combine university teaching with work experience) may reduce routes for employment progression for those coming through the vocational pathway with a potential impact on the recognition and attractiveness of this option. At the same time, masters degrees are becoming more specialised and niche and inevitably less likely to be labour market relevant.

Increasing adaptability by enhancing the permeability in education and training systems

In the changing world of work, an increasingly important issue for vocational training and higher education is adaptability, permeability and accessibility. Apprenticeship systems, for example, have had to adapt to ensure that occupational specifications and curricula allow individuals to remain mobile between specialisms, while continuing to provide depth of knowledge and experience. This can be achieved by creating modularised systems combining shared as well as specific knowledge modules. Permeability is important to prevent those entering the world of work via the vocational route remaining trapped at a certain occupational level, while at the same time being unable to access tertiary education to obtain additional qualifications. This, as well as the more modular approach to education and training, is closely linked with the concept of accessibility, allowing learners to add knowledge acquisition throughout their working life. The Copenhagen process¹ has provided a stimulus for the debate on the transferability of qualifications at the national level which is ongoing.

Measures to encourage geographical mobility

It was acknowledged that differences in youth unemployment rate are evident not only between countries but also within countries. Support for country internal mobility has long been a feature of Member States which are affected by significant employment/unemployment rate differentials. This generally applies to young people as well as the workforce in general. Research findings would appear to indicate that the propensity to move reduces with family formation, but in some countries (e.g. France) mobility rates are already low among young people.

Measures for young people from high risk groups

Young people from certain groups generally facing significant risk of labour market and social exclusion are often at a double disadvantage when trying to make transitions from school/training into

¹ For more information on the Copenhagen process, see http://ec.europa.eu/education/vocational-education/doc1143_en.htm

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work. The experts highlighted that migrant youths often faced such “double disadvantage”, often relating to the social and economic environment. Many countries have adopted measures to seek to address this issue.

Conclusions

Most Member States are taking measures to improve labour market transitions for young people and have stepped up their policies in response to the crisis. These include longer term strategies such as efforts to improve the education and vocational training systems to create better links between education and the labour market and measures to enhance the anticipation of future skills developments and requirements linked to better vocational guidance systems. Countries have also increasingly invested in the extension of education, the provision of individualised pathways into employment and the offer of various ALMPs including work placements and job subsidies. It will be important to further monitor the impacts of such initiatives and disseminate information about successful measures to reduce structural youth unemployment.

Further reading

Bosch, Gerhard / Charest, Jean (eds.), 2010: Vocational training: international perspectives. New York [u.a.]: Routledge. Routledge studies in employment and work relations in context, ISBN 978-0-415-46721-6

EEO Review: Autumn 2005, Youth employment, trends and policy approaches:
<http://www.eu-employment-observatory.net/resources/reviews/EN-EEOAutumnRvw2005.pdf>

European Commission's Youth portal: http://ec.europa.eu/youth/index_en.htm

Lifecycle approach to work - Reports and studies from the European Commission:
<http://ec.europa.eu/social/main.jsp?catId=648&langId=en>

'Measures to provide access to employment for young people', Summary tables for the EEO Sweden MISEP network meeting on 'Mitigating the effects of the economic crisis on the labour market' 7-8 October 2009, pp. 13-24:
<http://www.eu-employment-observatory.net/resources/meetings/MISEPSwedenSummaryTables.pdf>

Recent Peer Reviews of the Mutual Learning Programme of the EES:

- 'Professional traineeships for young adults', 19-20 November 2009,
- 'Project Learning for Young Adults: A social integration programme helping young people back into work and education', 2-3 November 2009,
- 'Towards a new vocational training system more adjusted to the new competencies and skills requirements of the labour market', 25-26 May 2009.

Further information: <http://www.mutual-learning-employment.net/peer-reviews>

More information about other EEO activities can be found at:
<http://www.eu-employment-observatory.net>