Making sense of youth transitions from education to work

Dina Bowman, Joseph Borlagdan & Sharon Bond

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Summary

The term 'youth transitions' has become increasingly fraught as the age range of 'youth' is stretched. It has blurred and extended the phases of transition from education to work, seeing young people as a problem group who are 'at risk' while failing to adequately recognise the institutional and structural contexts. This paper focuses on youth in the 15–24 age range and explores the factors that influence their transition to a sustainable livelihood.

In Australia, the focus on youth education and workforce participation was spurred by youth unemployment rates approaching 20% in 1992. While overall unemployment had risen steadily during the late 1980s and early 1990s, youth had been hit particularly hard by the recession. The Keating Government took a strong stance, arguing that … 'every young Australian should be in education, training or employment' (Keating 1994, p. 13). This paper argues that, more than 20 years later, the move from education to work is not always easy, as is evidenced by youth unemployment over the past seven years.

While the problem of high youth unemployment is not new, the pattern of young people's labour market participation has changed significantly since the 1990s. The proportion of the youth population in full-time employment fell from around 40% in February 1995 to 29% in February 2015. The percentage in part-time employment rose from over 20% in 1995 to 30% in 2015—an increase of 48%. In February 2015, the youth unemployment rate was 13.7%, having risen steadily from 8.8% in February 2008, prior to the global financial crisis. By then almost one in three young people aged 15 to 24 in the labour market (over 650,000 young Australians) were either underemployed or unemployed (ABS 2015, Table 22). Moreover there are fewer entry-level jobs that can be accessed by young people without experience or qualifications.

Since the early 1990s, an emphasis on investing in human capital (Freeland 1991; Keating 1994) has been the key response to the 'collapse in the youth labour market' (Woodman & Wyn 2013, p. 265). As a result, there has been an increase in the proportion of young people (15–24) in full-time education from 32% in February 1995 to 51% in February 2015. Furthermore, in Australia and in other OECD countries the period between leaving secondary education and securing satisfactory employment has lengthened and become more uncertain (Lui & Nguyen 2011; Roberts 2009; te Riele 2004).

Against this backdrop of significant changes over more than two decades, this paper examines the notion of 'youth transitions'. A review of what is known about the effectiveness of programs targeted at assisting young people to move from school into ongoing employment suggests there are major conceptual shortcomings and a lack of coherent evidence. The paper concludes by suggesting that an increased emphasis on the collection and analysis of suitable evidence is required and that new approaches and frameworks are necessary.

The problem of 'youth transitions'

In youth policy and research, the term 'youth transitions' has become shorthand for a range of issues that affect young people in the period between leaving school and moving into employment that provides a sustainable livelihood. The term 'transition' may encompass the situation of young people who are in any of secondary school education, vocational education and training and higher education as well as of those who are in or out of the labour force. Youth transitions can also refer to other life changes such as moving out of home or the formation of relationships. Some scholars and commentators use the term to refer to the process of becoming an adult. This multiplicity of meanings, combined with the blurred age boundaries of youth, underlines the difficulties in defining responses and measuring outcomes.

Youth studies scholars commonly refer to the complex and uncertain nature of youth transitions (see for example, Wyn et al. 2010). Some researchers highlight the impact of social, economic and political changes on the lives of young people (Woodman & Wyn 2013). Others challenge the idea that the transition from school to work has become more complex, arguing that for some groups of young people this period of life has always been uncertain (Raffe 2011). In social policy and youth studies young people are often understood as 'at risk' or 'vulnerable', which can locate the responsibility with individuals alone. However, there is an increasing recognition among policy analysts and researchers of the need for systemic, institutional and structural responses that acknowledge the multifaceted challenges facing young people seeking employment (Banerji et al. 2014).

Many analysts have attempted to make sense of the fragmented responses to the extended and often disrupted transition from school to work and have highlighted the need for a multifaceted and multidimensional approach (Atchoarena 2000; Cuervo & Wyn 2011; Raffe 2011; UNESCO 2014).

Making sense of youth transitions from education to work

In this paper we focus on the transitions of youth from education to work. Drawing on our review of academic and other literature, we describe three different approaches that help tease out different policy and program responses to assisting young people along the path to satisfactory work. We also note the lack of rigorous, systematic evidence about what works and point to the need for new approaches with a long-term perspective.

A focus on the destination

The ILO (2009) definition of the transition from school to work focuses on the desired result: regular and satisfactory work. It starts:

> from the premise that a person has not 'transited' until settled in a job that meets a very basic criteria of 'decency', namely a permanency that can provide the worker with a sense of security (e.g. a permanent contract), or a job that the worker feels personally satisfied with' (OECD 2009, p. 7).

This definition recognises both objective and subjective perspectives. It also implies that a simple focus on the level of educational attainment or skill is only a partial measure of successful transition. The focus on being 'settled in a job' implies an additional temporal dimension that extends beyond the period of youth, which has implications for how outcomes of youth transition programs are measured (Matsumoto & Elder 2010).

A focus on policy and programmatic responses along the pathway

Another useful sorting frame, the Pathway to Employment (PTE) devised by Eurofound, a tripartite European Union agency, organises youth transition interventions along a continuum. The pathway has five steps, each with corresponding policy and programmatic responses. The PTE identifies common elements of different approaches along the pathway to employment (Eurofound 2012a).

A focus on policy assumptions and intent

Youth transition policies are founded upon assumptions and norms. Strathdee (2013) has developed a typology that focuses on these underlying assumptions. In an article examining vocational education in New Zealand, he developed a typology of three overlapping policy responses (punishing, motivating and bridging), each based on different understandings of the problem. Motivational strategies focus on fostering dispositions and aspirations and understand the problem as a lack of skills; punishing strategies understand the problem as one of attitude and often characterise young unemployed people as feckless or lazy; and bridging strategies understand the problem as a lack of networks and links to employment.

Strathdee's typology highlights the interconnectedness of assumptions underlying policy strategies and how they often favour short-term impacts rather than long-term gains.

While these three analytical approaches are all useful in different ways, no single approach is adequate to explain the complexity of youth transitions.

International experience

To better understand the range of responses to youth transitions, we undertook a meta-review of OECD youth transition policies and programs. The review included reports by the International Labour Organization (ILO); the Organisation for Economic Co-operation and Development (OECD); the European Foundation for the Improvement of Living and Working Conditions (also known as Eurofound); the European Observatory Review, which is another partnership of multiple European countries; the European Commission; and the World Bank.

While there are social, economic, political and cultural differences between nations, an analysis of the international range of policy and programmatic responses to the various steps along the path from school to work may provide useful guidance in the Australian context. In this paper, we do not provide any detailed comparison of this broader experience with Australian programs and policies—that is the task of another paper.

What works?

Despite much effort and activity, the question ‘what works?‘ remains unanswered and we argue that there are two reasons why this question cannot be answered at this point:

- Evidence of what works remains patchy and there is little systematic analysis comparing outcomes with intent and practice.
- Youth transition programs tend to be funded on a short-term basis and lack rigorous evaluation. This reflects a policy focus on short-term solutions, which is compounded by electoral cycles.

Patchy evidence

Despite considerable effort and activity to study what helps or hinders young people’s move into work, the evidence remains patchy. In the literature we have reviewed, there is general agreement that youth services and policies tend to be short-term and fragmented. Much effort and wisdom is lost when programs lose funding, especially when they have not been evaluated.

There have been repeated cycles of initiation and cancellation of youth transition programs in response to political and economic changes. In Australia, this has been compounded by fragmentation of efforts across state and federal jurisdictions. These factors have tended to inhibit, rather than encourage, effective evaluation and systematic change.

Despite efforts to evaluate programs over many years, there is a lack of reliable evidence about the effectiveness of different approaches to assisting young people in the move from education to work. The World Bank’s Youth Employment Inventory (YEI) and the ILO’s Good Practices on Youth Employment are two initiatives that have developed ways of assessing different levels of evidence to inform practice. Importantly, they highlight the danger of overstating benefits and the importance of learning from failures as well as success.

Wider policy focus

Policy approaches that focus solely on reducing unemployment or on increasing the levels of education or skills cannot be effective if sufficient jobs are not available. For example, the ILO and OECD point out in their paper on better labour market outcomes for youth:

> Sustainable, balanced and equitable growth also requires policies that improve employment opportunities and outcomes for the working-age population and in particular for those groups that have suffered most during the recession or face long-term exclusion and vulnerability (ILO & OECD 2014, p. 1).

They observe that 'the youth employment crisis will not be overcome without stronger employment growth' (ILO & OECD 2014, p. 10). Importantly, they also argue that:

> A comprehensive set of measures that combine interventions to increase labour demand with youth-targeted employment programmes, particularly for disadvantaged youth, is required to durably improve labour market outcomes for all youth (ILO & OECD 2014, p. 22).

The lack of jobs that young people can access raises the questions:

- What are young people to do in a situation where not enough new employment opportunities are being created?
- What forms of assistance and guidance should be available to young people and where should the balance of responsibility lie between governments, employers, service providers and others? In Australia, overall unemployment is expected to continue at 6% or above until at least 2017–18, implying that there will be little change from current labour market conditions (Commonwealth of Australia 2014, p. 1–5). Young Australians who are currently looking for work seem likely to face a sustained period of low employment opportunities. This is why it is important to:
    - recognise individual *and* structural factors affecting employment in the short, medium and longer term
    - critically examine our expectations of young people
    - re-imagine the links between formal education and satisfactory employment across the life course.

Next steps

This paper is a first step to inform policies and programs to better meet the needs of young women and men in the short and longer term. The next step is to examine current transition-related policies and programs, such as vocational education and training (VET), and employer engagement programs, and to conceptualise alternative frameworks that may better respond to the challenge of youth transitions to satisfactory employment and a sustainable livelihood.

Two key areas of further research are recommended:

1 Analysis of LSAY data to assess the past effectiveness of youth transition policies and inform the evaluation and formulation of future policies.
2 Exploration of the capabilities approach to closely link the goal of achieving satisfactory employment with broader community and economic goals. Importantly, the capabilities approach can also be applied across the life course.

1 Introduction

Young people's participation in education and the labour market has changed significantly over the past twenty years, with an increase in the proportion of young people (15–24) in full-time education from 32% in February 1995 to 51% in February 2015. Over the same period, the proportion of the youth population in full-time employment fell from around 40% in February 1995 to just under 29% in February 2015; the percentage in part-time employment rose from 20.3% in 1995 to 30%, in 2015—an increase of 48%. In February 2015, the youth unemployment rate was 13.7%, having risen steadily since early 2008 (ABS 2015). These figures illustrate some important changes, but they also conceal a more complex picture, with significant differences between the experiences and outcomes for teenagers 15–19 and young adults 20–24. These differences are obscured by terms such as 'youth' transitions, because it is applied to a group of people who are experiencing multiple major changes in their lives in a relatively short period.

UNESCO (2014) describes youth as 'a period of transition from the dependence of childhood to adulthood's independence and awareness of our interdependence as members of a community'. Since this period of transition has many elements, the OECD's phrase 'transition from initial education to working life' is useful in sharpening the focus of concern (OECD 1997). In this paper, we focus on education and work—and more specifically the transition from school to further education or training and work.

Structure of this paper

First, we sketch the context for concern about youth transitions. We highlight how the changed labour market and employers' emphasis on credentials have contributed to an extension of transitions from education to work. Drawing on our review of academic and other literature, we describe three approaches that help tease out different policy and programmatic responses to assisting young people along the path to satisfactory work.

To address the question 'what works?' we consider the patchiness of available evidence and introduce several approaches for assessing the effectiveness of youth policies and programs. We also highlight the narrow supply-side focus of youth policies and programs issues. We discuss the importance of policy and programmatic responses that recognise the multifaceted nature of youth unemployment and unemployment.

Finally, we suggest some further directions for research, policy and service development.

2 The 'problem' of youth transitions

It is generally accepted that the move from education to work has extended and become more uncertain (Cuervo & Wyn 2011). This period is often referred to as the transition from school to work or simply as 'youth transitions'. Over time this term has lost its explanatory power, and its uncritical use obscures the structural changes that have extended the period between leaving school and securing satisfactory employment. We first discuss the different definitions of youth and then consider the range of factors that have impacted on youth transitions over time.

Differing definitions of youth

Youth is defined differently in different policy contexts. As Eurostat (2009) points out 'finding a common definition of youth is not an easy task'. For example, in the United States, 21 is the legal age for purchasing alcoholic drinks, yet in many states people as young as 14 are treated as adults within the justice system, and according to the Equal Justice Initiative) 'fourteen states have no minimum age for trying children as adults'(Equal Justice Initiative 2014). In Australia, 18 is the age at which one can enter into contracts and vote; yet in many areas of law, a person under the age of 18 may make decisions or be deemed old enough to be legally responsible for their actions. For example, in NSW a child aged 14 may consent to, or reject medical or dental treatment (New South Wales 1970). In Victoria, the minimum age at which a young person can be employed without a permit is 15 (Business Victoria 2015). Youth Allowance is currently payable to young people between the ages of 16 and 24 depending on their circumstances and whether they meet eligibility requirements.[1]

The various definitions of youth reflect particular policy concerns and are useful in defining and redefining roles and expectations. For example, in the United States the age at which compulsory schooling ceases varies from 16 to 18 (National Center for Education Statistics 2013). In England, Scotland, Northern Ireland and Wales a young person can leave school at age 16, but in England a young person must 'stay in some form of education or training' until they turn 18 if they were born on or after 1 September 1997 (Gov.UK 2014). In Australia a young person must be engaged in education, training or work or a combination of both until at least age 17 (COAG 2009, p. 6 22-b).

Perhaps in response to labour market and other changes, the period defined as 'youth' is expanding. For example, in Spain, people up to the age of 30 are deemed to be dependent on their parents if they are unable to support themselves (Badcock 2015). And in Japan concern about young people not in education employment or training (NEET) includes those up to the age of 34 (Toivonen 2011). In Australia, the proposal to

[1] http://www.humanservices.gov.au/customer/enablers/centrelink/youth-allowance/eligibility-for-youth-allowance

introduce special eligibility requirements for those aged under thirty seeking Newstart Allowance reflects the trend towards extending young people's dependence on their families.

For this paper with its focus on moving from education to work, the 15–24 age grouping is most useful as it aligns with ABS labour force data.

What factors underpin the changed nature of young people's transition from education to work?

Young people's education and workforce participation has changed significantly over the past fifty years. Here we consider some factors that underpin the extension of the period of transition from education to work, including:

- structural change in the economy and the changed labour market with an increase in non-standard jobs, which in turn has shaped young people's labour market participation; and
- an increased policy emphasis on education and skills which has influenced school completion rates and participation in post-school education and training.

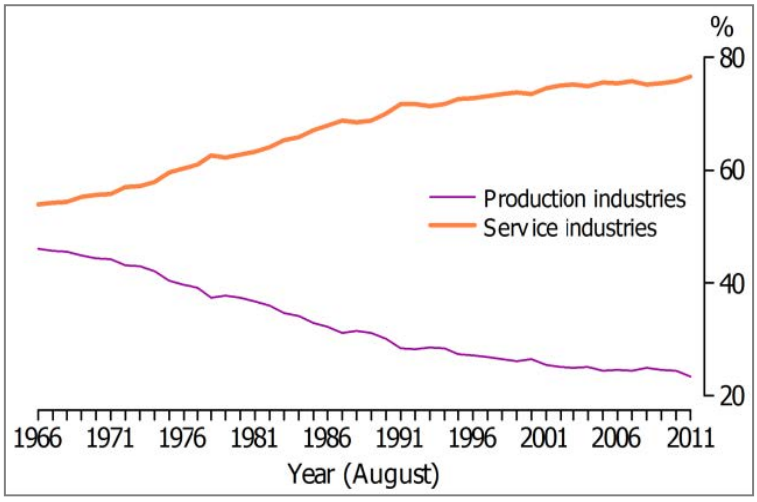
A changing labour market

Labour market stability was a key factor through the 1950s, characterised by near total employment (for adult males) and very low youth unemployment, which hovered at around 2 per cent (Cuervo & Wyn 2011). By the mid 1970s, GDP growth dropped sharply and global and domestic economies became very unstable (Stevens 2008 pp.20–21). Full-time employment options for young people began to disappear and youth unemployment climbed.

UK academic Robert MacDonald describes a 'deteriorating' and 'diminishing' youth labour market from the mid 1970s onwards, including high youth unemployment and underemployment, with more job mobility and casual employment than other age groups (MacDonald 1999, p. 13). Canadian youth studies scholar James Côté (2014, p. 531) also notes that youth wages, with some variations in the extent and timing, saw a steady decline over three decades in almost all OECD countries beginning in the 1970s.

In the 1970s manufacturing in Australia accounted for around a quarter of all jobs, but in 2014 accounted for less than ten per cent (Wilkins & Wooden 2014, p. 423). In the past twenty years, the proportion of people employed in service industries including professional, scientific and technical services, and health care and social assistance has grown while the proportion of people employed in production industries has declined, as Figure 1 below shows.

Figure 1 Proportion of all employed people in the production and service industries, 1966–2011



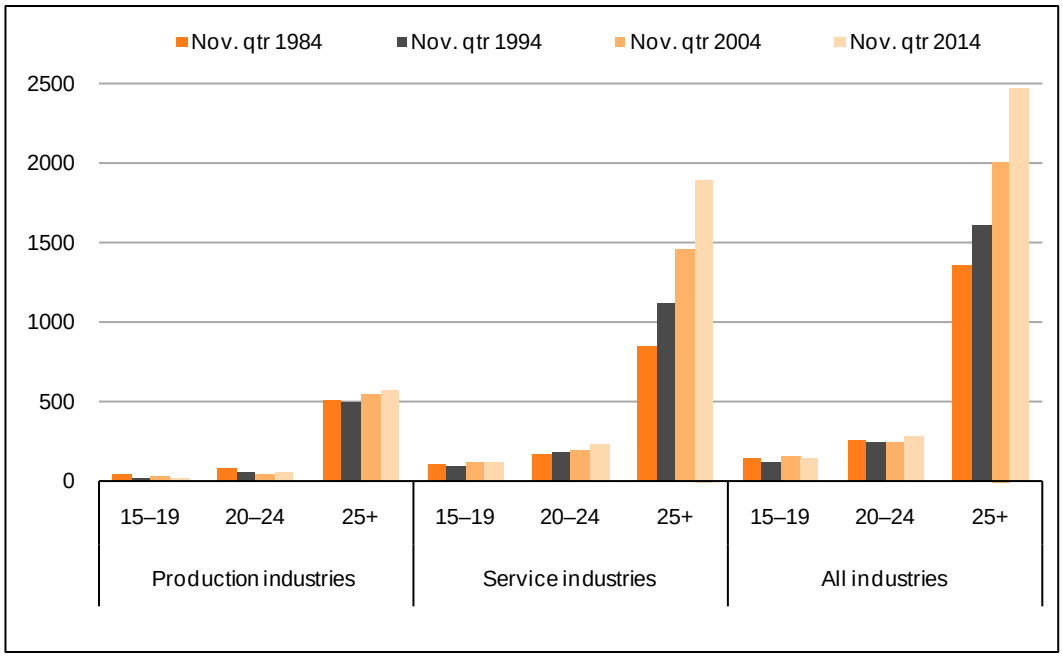
Source: ABS 2011, p. 15

Between 1966 and 2011, the proportion of people employed in production industries (mainly agriculture, construction, manufacturing & mining) halved from 46% to 23%. Almost all employment growth has been in the service industries (comprising wholesale and retail trade, communication, community services, finance and public administration among others) and their share of total employment increased from 54% to 77%.

Even more importantly, the number of jobs in production industries has remained relatively steady in the past few decades—between 2.2 million and 2.7 million people—while in the service industries employment more than tripled from 2.2 million to 8.7 million. As the ABS points out, these changes have resulted in a major and continuing decline in the number of blue collar jobs and steady increase in white collar jobs (ABS 2011, p. 16).

These trends have continued in recent years and have hit young people hard, especially in Victoria (see Figure 2). Youth employment in production industries has declined, but there has been only modest growth in youth employment in service industries. The bulk of employment growth in service industries has been taken up by adults 25+. The shift to a more service-based economy has so far left young people under the age of 25 behind.

Figure 2 Employment by industry type, Victoria, 1984–2014

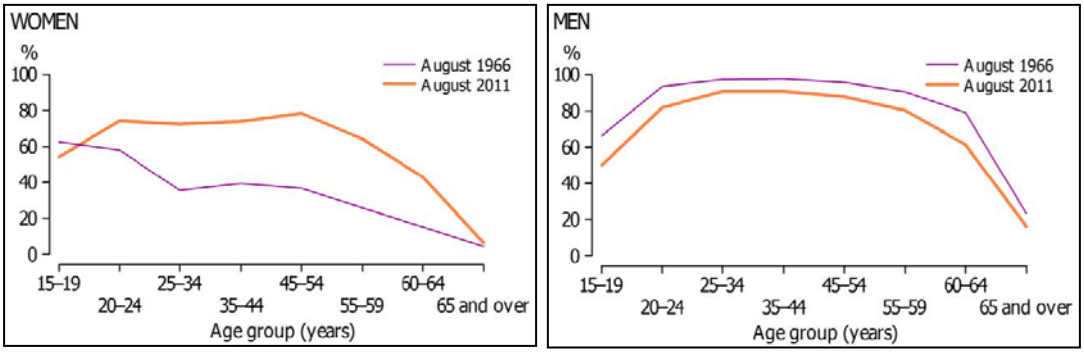


Sources: 1984 data are from ABS *Labour force* historical time series, Australia, February 2009, Cat. no. 6204.0.55.001, data cube E12; 1994, 2004 & 2014 data are from ABS *Labour force*, Australia, detailed, quarterly, November 2014, Cat. no. 6291.0.55.003, data cube E12 and ABS *Labour force*, Australia, detailed – electronic delivery, January 2015, Cat. no. 6291.0.55.001, data cube EM1.

Labour market participation

In 1966 over 60% of 15–19 year olds were in the labour force, but by 2011 this had fallen to around 50%. This reflects policy changes which now encourage completion of Year 12 or equivalent (discussed further on page 12). Another obvious change has been the increased labour force participation of women, which relates to changed family formation patterns (see Figure 3).

Figure 3 Age-specific labour force participation rates, 1966 and 2011



Source: ABS 2011, *Social trends*, December, p. 13

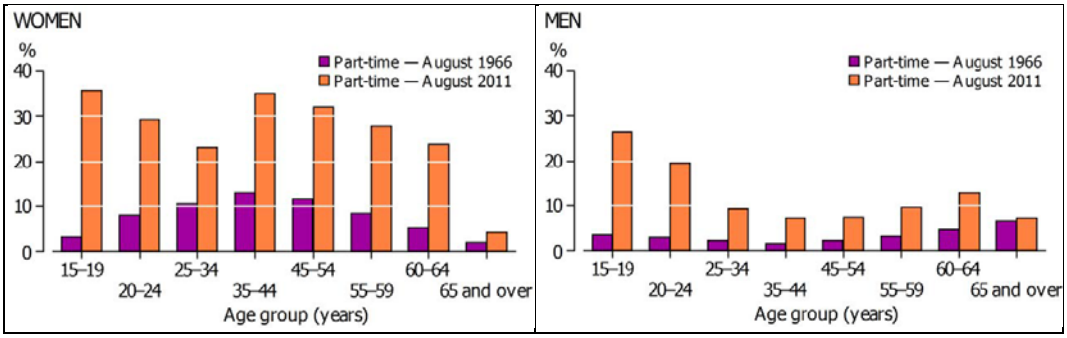
The so-called nappy valley that existed in the 1960s when young women left the labour force to have children has flattened out. Women's labour force participation has

increased while men's participation rates have fallen, with the net effect that women and men's participation rates across the life course are becoming more similar.

Increase in 'non-standard' jobs

The other major change in the labour market which has occurred alongside the above structural changes is the rise in part-time employment. As Figure 5 shows, this has been most noticeable for women and young men.

Figure 4 Part-time employed persons as a percentage of the population, 1966 and 2011



Source: ABS 2011, *Social trends*, December, p. 14

The standard employment relationship (SER) is generally 'understood as open-ended and dependent full-time work' (Schmid 2010, p. 4). Non-standard forms of employment such as part-time work have grown substantially over the past two decades in response to political, social and economic changes (ABS 2012). Australia has one of the highest proportions of women in part-time and casual employment among the OECD countries (OECD 2008).

In Australia, part-time work is often casual (OECD 2015a, p. 139). The Australian Bureau of Statistics acknowledges that 'casual employment can be difficult to define' (ABS 2008). They use three measures in relation to casual employment:

- employees without paid leave entitlements
- employees who considered their job to be casual regardless of any entitlements that they may receive; and
- employees who received a casual loading as part of their pay (ABS 2008).

Australian labour market scholar, John Buchanan points out that in Australian labour law there is no fixed meaning for the expressions 'casual employee' and 'casual work' (Wanrooy et al. 2009, p. 43). The common understanding of the term typically involves short-term or itinerant jobs.

For many casual employees, instead of paid leave a loading is paid. Casual employment also means that workers may be on call with no commitment about the number or timing of work hours per week. While casual work suits many people, especially those with study or other commitments, it can lead to under or over-employment. The

relatively high rate of youth underemployment (17.4% in February 2015) suggests that many young people have less work than they would like.

From the age of 15 increasing numbers of young people join the labour market. Many young people combine school with a part-time job. In 2013 around 40% of 15–19 year olds who were enrolled full-time in education also had a full or part-time job (ABS 2013). This combination of school and work has been consistent over at least the last five years. In 2008, in response to concern about the impact of combined study and work on the success of youth transitions and Year 12 attainment, the House of Representatives Standing Committee on Education and Training conducted an inquiry. Its report noted that:

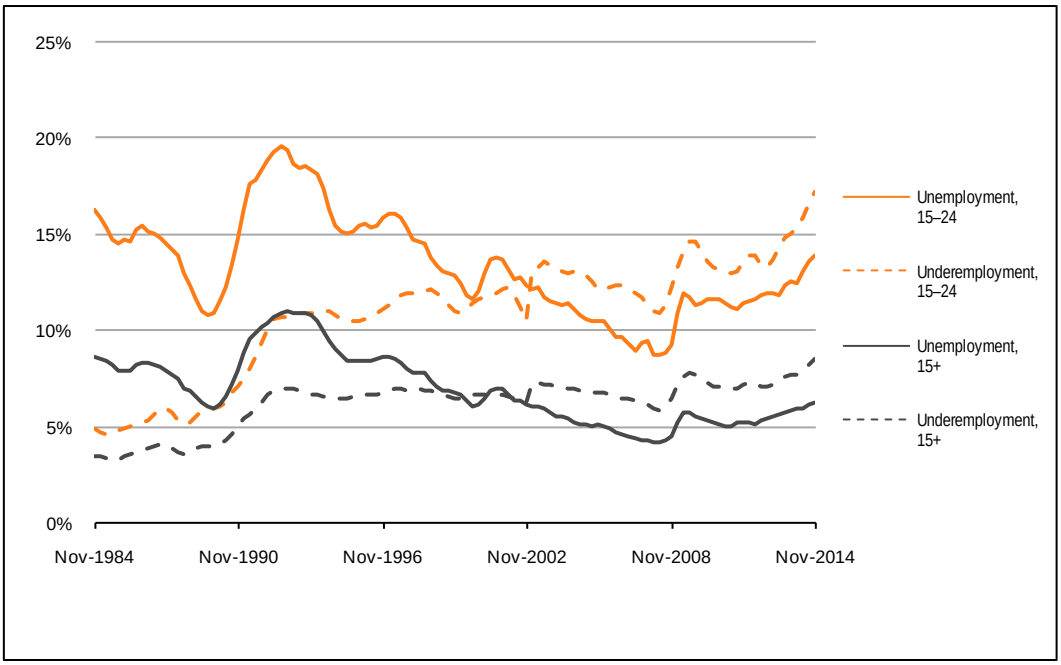
> the nature of part-time work for school students has changed significantly. The extended trading hours in the retail sector and late night trading in the fast-food industry which prevail today have contributed to students working longer hours and later hours than ever before (House of Representatives Standing Committee on Education and Training 2009, p. vii)

The committee concluded that there was not enough information about the impact of work on educational attainment and recommended further research. Other research has highlighted the challenges facing young people who try to manage the dual load of work and study (Price et al. 2011; Vickers 2011).

In February 2015 more than 365,574 Australians aged 15 to 24 were underemployed—working fewer hours than they would like. In February 2015 the youth underemployment rate stood at 17.4%, compared with 10.6% in February 1995 (ABS 2015). In February 2015 the youth underutilisation rate (which is calculated by adding the underemployment rate and unemployment rate) stood at 32%, which means that almost one in three young people in the labour market are either underemployed or unemployed.

Figure 5 shows underemployment and unemployment for young people (15–24) and for all those aged 15 or over in Australia. For both groups, underemployment rates (dashed lines) have been higher than unemployment rates since early 2003.

Figure 5 Underemployment and unemployment rate for youth 15–24 and 15+, 1984–2014



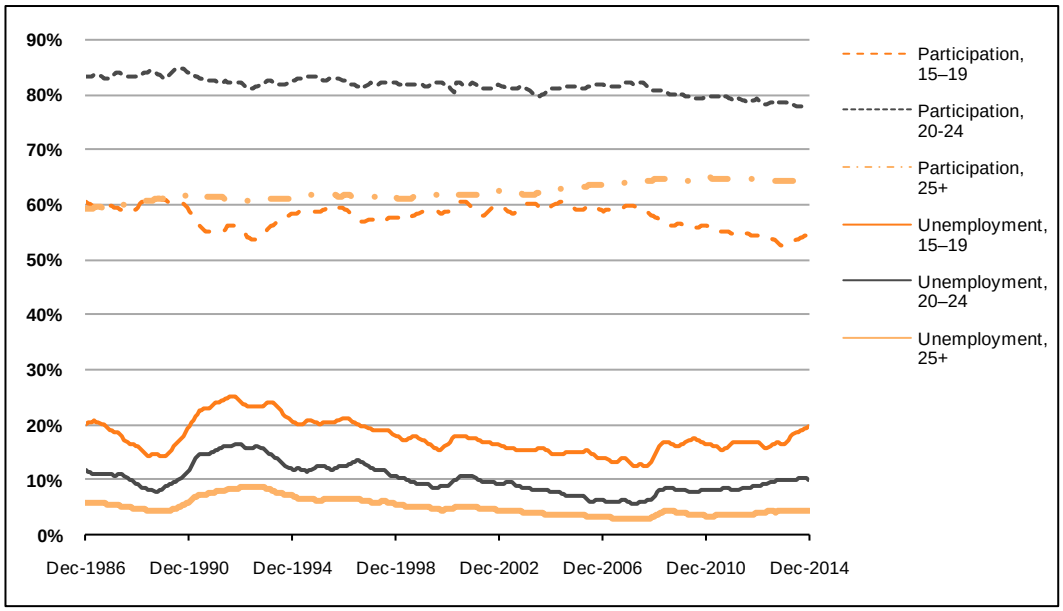
Source: Trend data from ABS 2015, *Labour force survey*, Cat. no. 6202.0, January, Tables 1, 17, 22.

As Lucas Wash (2013) observes, 'Youth underemployment is in part linked to long-term changes to the labour force, as well as more recent instability in the wake of the GFC'.

Unemployment

The changes to the labour market and in young people's labour market participation are also reflected in unemployment data. Figure 6 shows that young people aged 15–19 (the black dashed line) have lower levels of participation than those aged 20–24 or those aged 25 plus. This largely because many teenagers are full-time students, reflecting policies that encourage school completion. Conversely, teenagers have higher rates of unemployment (the grey solid line); this is because unemployment is calculated as a percentage of the labour force (those with jobs and those looking for work) for a particular age group. The higher unemployment rate among teenagers reflects the smaller number of teenagers in the labour force.

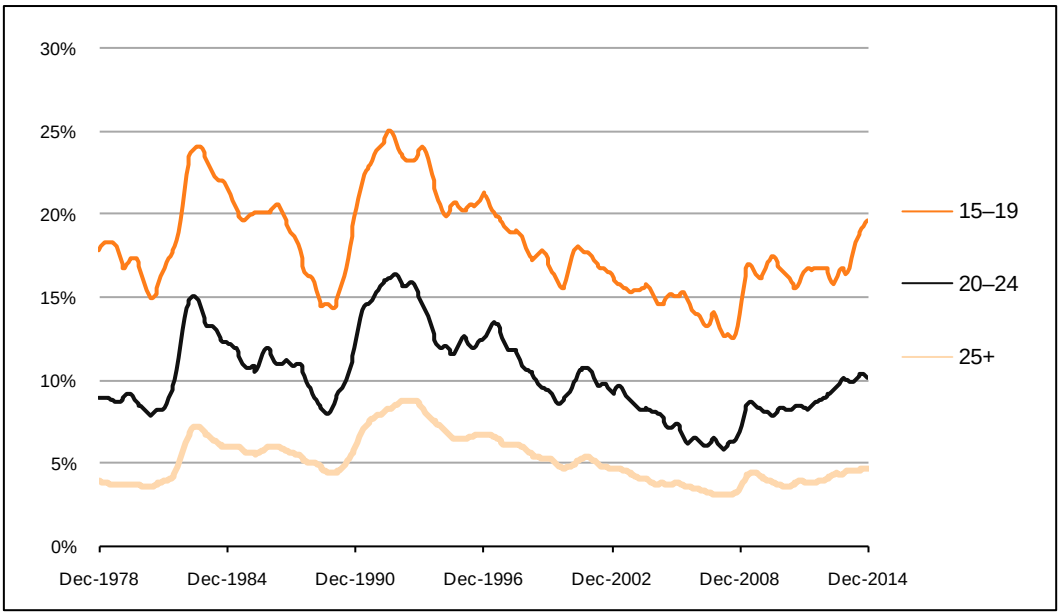
Figure 6 Participation and unemployment rates for selected age groups, 1986–2014



Source: ABS 2014, *Labour force survey*, December, Cat. no. 6202.0. Trend data calculated from Tables 1, 13 & 17.

ABS Labour Force Survey data also show major fluctuations in the rate of unemployment in Australia for teenagers, young adults and adults over the last four decades. As Figure 7 shows, all three groups experienced a steady and almost continuous fall in unemployment from the mid 1990s until the years of the GFC. As a number of studies confirm, teenagers and young adults tend to feel the impacts of recessions much faster and more deeply than adults (ILO 2013a, p. 79). However, these groups also usually experience a faster and stronger turnaround when economic conditions improve; but this pattern is not evident since the GFC. The figure shows that the impact of the GFC in Australia was tempered by economic policies and the strong resources sector. Nevertheless, since the GFC, teenagers and young people aged 20–24 have again been hit hard by unemployment.

Figure 7 Unemployment rates, selected age groups, 1978–2014



Source: ABS, *Labour force survey*, December 2014, Cat. no. 6202.0. Released 15 January 2015. Trend data calculated from Tables 1, 13 & 17.

Because of the impact of the GFC, policy makers in the worst-affected countries in the OECD became concerned about the prospect of a 'lost generation' (Bivand 2012; OECD 2010a). McQuaid (2014) points out that it is difficult to identify cause and effect because of the interrelationships between '(1) employer responses, (2) the person's human capital, (3) their expectations, (4) job search and (5) the influence of external factors in the economy and society'. Nevertheless, he suggests that concern about the long-term scarring effects of youth unemployment is justified.

Youth unemployment is widespread across the OECD, but there are national variations, which reflect particular social conditions and economic policy settings. Youth unemployment rates are well over 20% in many countries—for example 51.4% in Spain; 42.0% in Italy and 25.2% in France in December 2014 (OECD 2015c). By comparison the rate in Australia in April 2015 was 13.6%.

The OECD youth unemployment scoreboard (OECD 2015b) highlights some other important differences. In 2011, young people aged 15–24 in Australia had:

- a much higher employment rate (in 2011, 60.7% compared with 33.4% for the EU and 37.8% for the OECD)
- a much lower unemployment rate (in 2011, 11.3% compared with 22.8% for the EU and 19% for the OECD)
- a much higher incidence of part-time work (43.4% of employment, compared with 25.4% in the EU and 27.9% for the OECD)
- a comparatively high school dropout rate (23.1% compared to 15.1 in the EU and 19.6 for the OECD.

These differences reflect specific policy settings as well as economic, social and political differences. Nevertheless, a comparison between Australia and other OECD countries is important because many OECD countries are also in the process of transformation from manufacturing and goods production based economies to service-based economies. Also, recognising the differences between Australia and other OECD countries is crucial when assessing policies and programs that have been developed in different contexts.

An emphasis on education and skills

Nobel Prize – winning economist Gary S Becker's use of the term 'human capital' in the mid 1960s fostered an emphasis on the role of education in economic growth (Becker 1975). Becker explains:

> Education, training, and health are the most important investments in human capital. Many studies have shown that high school and college education in the United States greatly raise a person's income, even after netting out direct and indirect costs of schooling, and even after adjusting for the fact that people with more education tend to have higher IQs and better-educated, richer parents. Similar evidence covering many years is now available from more than a hundred countries with different cultures and economic systems. The earnings of more-educated people are almost always well above average, although the gains are generally larger in less-developed countries (Becker 2008).

In Australia, young people's transitions from school to further learning or work continue to be influenced by the major social, economic, demographic, technological and political changes since the late 1960s. Over this period we have witnessed significant changes in the rates of school completion and an increased emphasis on the development of human capital.

Secondary school completion

In November 1986 (the earliest data available) 58.6 per cent of 15–19 year olds in Victoria were in full-time education. By November 2014, this had risen to 85.9 per cent (ABS 2015). This increase is due to a combination of the changed youth labour market and a policy focus on human capital and skill development. The change to a mandatory school leaving age of 17 in 2010 has reinforced the increases in school completion rates.

In 1967, Year 12 school completion rates were almost 23 per cent (House of Representatives Standing Committee on Employment Education and Training 1989p.7). By the 1980s, the federal government had abolished unemployment benefits for 16 and 17 year olds, and increased study allowances for young people in low-income families, simultaneously creating an incentive for early school leavers to stay in school longer, and reducing barriers to participation for children from low-income families (Lamb et al. 2010, p. 327).

Education came to be seen as a 'pathway' to work, and in the policy arena, education and training were increasingly understood in terms of young people's prospects for

future employment and economic participation (Cuervo & Wyn 2011). For example, the federal government established a Transition Program in the early 1980s to provide students with better information about employment at the end of Year 10 (Dwyer 1996, p. 54). The use of 'transition' and 'pathway' metaphors in policy was not limited to Australia: references to general education pathways, school-based vocational pathways and apprenticeship-type vocational pathways became common across OECD countries (Raffe 2003, p. 5).

The White Paper on Employment and Growth delivered in 1994 by Prime Minister Paul Keating promised: 'if you are young, we will see that you are educated and trained' (Keating 1994, p. 2). Employment opportunities for young people were to be expanded by reorienting education and training towards industry, supporting more traineeships, opening a competitive market for public and private training providers, and establishing thousands of new entry-level training places. The success or otherwise of youth policy was seen in terms of 'young people learning or earning,' and began to be measured accordingly (ABS 2005).

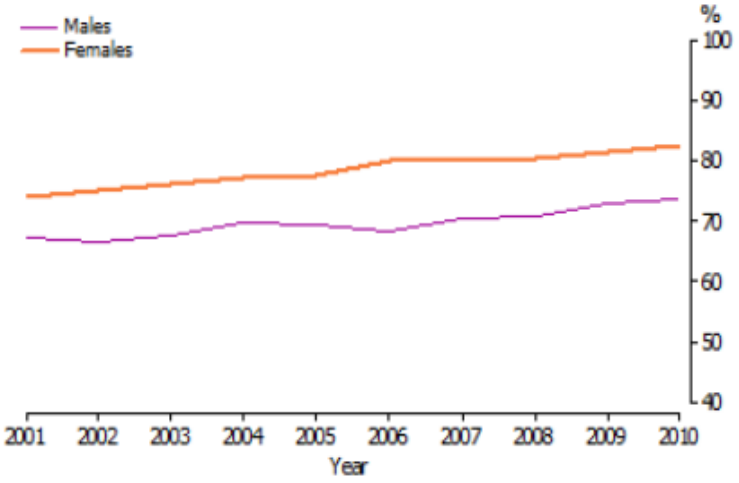
The Council of Australian Governments (COAG) set a target to raise the Year 12 (or Certificate II) attainment rate from 83.5% in 2009 to 90% by 2015.The 2020 COAG attainment target has since been amended to measure those with Year 12 or a Certificate III, which is recognised as the international standard of upper secondary education.

Setting these kinds of targets makes patterns of completion or non-completion visible. However, as te Riele (2011) has pointed out, the devil is in the detail:

> the COAG attainment target does not require young people to stay in school beyond Year 10. It measures attainment for the group of 20–24 year olds. A young person who leaves school and returns a few years later to complete Year 12 or a Vocational Education and Training (VET) Certificate therefore is counted as meeting the target.

Figure 8 shows a steady increase in attainment of Year 12, with a higher proportion of young women attaining Year 12 than young men. The ABS speculates that this may be because of the greater full-time job opportunities for young men (ABS 2011).

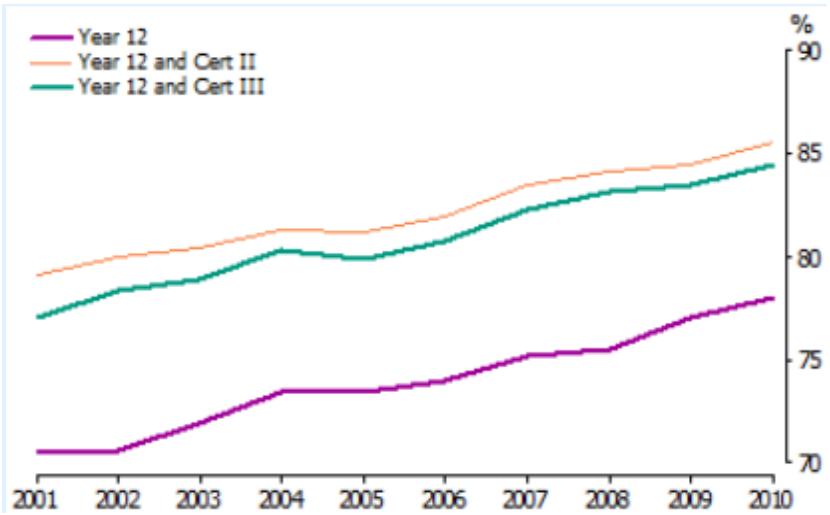
Figure 8 Proportion of 20–24 year olds with Year 12, 2001–10



Source: ABS 2011, 'Year 12 attainment', *Australian social trends*, March, Cat. no. 4102.0

When equivalent certificates are taken into consideration, the overall level of attainment is greater, as Figure 9 shows.

Figure 9 Proportion of 20–24 year olds who had attained Year 12 and/or Certificate II or III, 2001–10



Source: ABS 2011, 'Year 12 attainment', *Australian social trends*, March, Cat. no. 4102.0

Participation in post-secondary education

The proportion of 20–24 year olds in full-time education rose from 8.8% in November 1986 to 34.6% in November 2014 (ABS 2015). This increase in post-secondary education and training is due to the deterioration of the youth labour market and to government policies that encouraged further education (AWPA 2012; Cuervo & Wyn 2011; Smyth 2007). In 1974 the federal government abolished fees for tertiary education and introduced the Tertiary Education Assistance Scheme. Since then there has been an

increase in the number of young people (especially young women) participating in higher education (ABS 2013). As Karmel has pointed out:

> Since the mid-1980s there has been a steady increase in educational participation, even though it is less marked for those aged 15–19 years. Most likely the level is getting close to saturation. Accompanying this increase is a decrease in full-time employment (Karmel 2013, p. 12).

Increased participation in higher education and vocational education and training has resulted in more young people with post-school qualifications.

Both the university and VET sectors have undergone significant reform over the past few decades (Beddie 2015; Gardner 2014). Key concerns include the impacts of marketisation on the quality of education and training, the shift of costs onto students, and the role of higher education and training in relation to employment. Beddie's review of VET research summarises some of the concerns about VET. She points out that:

- 'Educational structures need to adapt more to the demands of a post-industrial society and changing demographic trends.
- Training can’t fix everything.
- The VET sector needs to look beyond the competencies currently required by industry. More emphasis should be placed on foundational knowledge and building the capacity to learn.'(Beddie 2015 pp.31–32). ’

In a similar way, research on higher education in Australia has highlighted concerns about changing regulation of the sector, increased use of casual staff, quality of education provided and uncertain outcomes for graduates (Connell 2014; Norton & Cherastidtham 2014). It is beyond the scope of this paper to discuss these changes in detail; nevertheless, it is important to consider the impacts of these changes on young people and their opportunities after leaving school.

The Foundation for Young Australians, in its annual *How young people are faring* publication, has highlighted the paradox of increasing educational attainment and achievement alongside growing youth unemployment, labour underutilisation and casual employment (Foundation for Young Australians 2013, p. 5). The conceptual and statistical gap between education retention rates and youth unemployment rates is also illustrated by the COAG Reform Council's analysis. Year 12 or equivalent attainment rates have improved since 2006 in every state and territory, as well as nationally. However, young people's full participation in work or study fell by 1.2 percentage points between 2006 and 2011. The proportion of young people in full-time work fell by around 5 percentage points during the same period (COAG Reform Council 2013, p. 47).

Researchers have observed that while the costs and the expected timeframes to gain a competitive level of education have continued to rise, the assumed ‘wage advantage’ associated with higher education, has diminished, resulting in further stratification within the labour market (Cuervo, Crofts & Wyn 2013, p. 4). As a result, early school

leavers and those excluded from high quality, extended training or higher education are left behind. Furthermore, the complex marketised systems of higher education and vocational education shift the responsibility (and associated risks) of decision making onto individuals. Without adequate career development supports, young people often make decisions too early, commence courses that they are not well matched to, or end up with qualifications that hold little weight with employers and provide limited opportunities to gain a job. This fuels non-completion, training churn and disillusionment for young people (BSL 2015).

Youth unemployment and skills

The human capital agenda conceives the problem of youth unemployment in terms of skills. The argument is that young people need skills and experience to equip them for the modern service-based economy; and the policy response encourages young people to attain a formal qualification (AWPA 2012; Cuervo & Wyn 2011; Smyth 2007).

A sound education and the acquisition of skills are clearly important. Young people who do not acquire the necessary qualifications and experience are more likely to find it hard to secure stable employment and a sustainable livelihood. As the OECD observes:

> Teenagers who drop out of school and enter the labour market early are considered in many countries as the group most at risk of getting off to a bad start that will be very difficult to make up for later on (AWPA 2012)

However, it is becoming clearer that in the modern economy, credentials do not automatically improve young people's employment prospects. If young people have completed poor quality VET or other qualifications and have no work experience, or if there are few jobs in the field for which they have trained, they can struggle to get a foothold in the labour market. Furthermore, as the OECD and ILO Background paper for the G20 Labour and Employment Ministerial meeting in Melbourne in 2014 pointed out, 'providing youth with skills is not sufficient to improve their labour market outcomes if these skills do not match those demanded by employers' (ILO & OECD 2014).

Research conducted for the National Council for Vocational Education Research (NCVER) also highlights the mismatch between available jobs and young people's qualifications. As Karmel observes in his foreword to the report:

> the cost of younger workers with vocational education and training (VET) qualifications being over-educated and in low-skill jobs is of concern. That this effect is also observed in slightly older workers suggests that some VET graduates find themselves entrenched in low-level jobs (Ryan & Sinning 2011).

Some young people struggle more than others to acquire the skills and experience needed to participate in the labour market. The Brotherhood of St Laurence's *Life Chances* longitudinal research shows that family income affects young people's decisions about participation in education (Taylor, Borlagdan & Allan 2012).

Young people from low-income families often *need* to work, not only to support themselves, but also to contribute to the household budget. This can compromise their ability to study, especially in the absence of other support.

Change and continuity

The transition from education to employment has lengthened and become more uncertain in OECD member nations (Lui & Nguyen 2011; Roberts 2009; te Riele 2004). And yet, policy and programmatic responses to youth transitions have remained relatively unchanged over the past 40 years despite labour market, technological, demographic, political, and other changes.

The term 'youth transitions' has come to be shorthand for a range of issues that affect young people in the period between leaving school and gaining satisfactory employment. There has been much debate about the nature of youth transitions, with some scholars challenging the idea that it has become more complex. As Raffe (2011, p. 315) points out:

> Education–work transitions continue to be relatively smooth, linear and predictable for many young people; those who experience destandardized traditions tend to be the most disadvantaged young people with the least control over their own destinies, not the self-managing authors of 'choice biographies' (Furlong et al., 2003; du Bois-Reymond, 2009). In many respects transitions are just as structured and predictable today – for example, in relation to gender and social class – as in earlier times (Smyth et al., 2001; Gayle, Lambert & Murray, 2009). The subjective experience of transition may have changed: individual young people may feel that their transitions are more complex, open and individualized, but in reality they are still heavily mediated by social structures (Furlong & Cartmel, 2007).

Nevertheless, social policy often stereotypes young people as 'at risk' and vulnerable, or as a threat to social cohesion. These negative stereotypes can shift responsibility for broader social and economic problems onto the individual (Colley & Hodkinson 2001).

This deficit approach was most explicit in the 'underclass thesis' of the late 1980s and 1990s that ascribed a 'culture of poverty' to individuals at the margins of society. This understanding of disadvantage persists in research that explains educational and work outcomes through the lens of aspirational differences. This view is challenged by more recent research that shifts the focus onto the 'poverty of opportunity' and in particular, the relationship between social class and youth transitions (Roberts 2009). Deficit approaches that narrowly focus on individual young people have also been criticised for overlooking the constraints of gender (Roberts 2009) 'race' (Byrne 2005), and place (Cuervo & Wyn 2012).

A deficit perspective understands youth unemployment or lack of educational credentials as the fault of individuals; and as a result the 'deep-seated structural inequalities are rendered invisible' (Colley & Hodkinson 2001). Researchers observe that

individual responsibility is a key feature of neoliberal governments exercising control over young people deemed ‘at risk' (Kelly 2001) The responsibility for managing risk falls onto the individual, while government exercises ‘ever increasing parameters for risk control under the auspices of the widening net of ‘prevention’ and ‘early intervention’’(Turnbull & Spence 2011). This process has been described as the ' great risk shift' (Hacker 2008; Rafferty & Yu 2010).

Not surprisingly, then there is an increasing recognition of the need for systemic, institutional and structural responses as well as a focus on assisting individuals (Eurofound 2015; OECD 2010b; Simms, Hopkins & Gamwell 2013; Wheatley 2013).

3 Making sense of transitions from education to work

In the previous section, we briefly considered two reasons for the lack of progress in responding effectively to the 'problem' of youth transitions. In this section, drawing on our review of academic and other literature from Australia and overseas , we consider attempts to make sense of the plethora of policies and programs that seek to support a successful transition from education to work.

Many scholars and policy analysts have examined the fragmented responses to the extended and often disrupted transition from school to work and have highlighted the need for a multidimensional approach (Atchoarena 2000; Raffe 2011; UNESCO 2014). Part of the problem is that the term youth transition may encompass secondary school education, vocational education and training and higher education as well as young people already in the labour force and also those who are not. It can also refer to other aspects of life that affect the transition to work, including housing and health.

Below we describe three key approaches that tease out some of the different elements of the transition from education to work:

- the ILO's definition of transition from school to work which focuses on the nature and quality of the transition to regular and satisfactory work (ILO 2009)
- Eurofound's Pathway to Employment (PTE) which provides a useful sorting frame to organise youth transition interventions along a continuum(Eurofound 2012a, p. 12)
- Strathdee's typology of policy responses, developed in relation to vocational education in New Zealand, which enables consideration of the assumptions underpinning policies (Strathdee 2013).

Each of these frameworks is useful in making sense of the scope, aims, nature, and impact of policy and programmatic responses to youth transitions. In the following section we discuss these frameworks in more detail.

Focusing on the destination

The focus on transitions often results in a lack of focus on the destination. In the ILO survey of school to work transitions, however, the focus is on the nature and quality of employment attained. This is reflected in their definition of the transition from school to work as 'the passage of a young person (aged 15 to 29 years) from the end of school to the first regular or satisfactory job' (ILO 2009, p. 8). 'Regular' work is defined in terms of duration of contract or expected length of tenure; 'satisfactory' work is based on the jobseeker's self assessment. Accordingly, those young people who are employed in a temporary and unsatisfactory job are defined as being in transition, while those in a satisfactory but temporary job are defined as having transited (see Figure 10). As the ILO (2009, p. 7) points out:

starting from the premise that a person has not 'transited' until settled in a job that meets a very basic criteria of 'decency', namely a permanency that can provide the worker with a sense of security (e.g. a permanent contract), or a job that the worker feels personally satisfied with, the ILO is introducing a new quality element to the standard definition of school-to-work transition.

Figure 10 ILO definitions of stages in the transition from school to work

Transition not yet started	In transition	Transited
Still at school and currently [economically] inactive or	Currently unemployed	In a regular and satisfactory job
Currently economically inactive and not in school, with no intention of looking for work	Currently employed (wage & salaried worker) with no contract	In a regular but non-satisfactory job
	Currently employed in a temporary and non-satisfactory job	In a satisfactory but temporary job
	Currently self-employed and unsatisfied	In satisfactory self-employment
	Currently [economically] inactive and not in school, with an aim to look for work later	

Source: adapted from ILO 2009, pp. 9–10

The ILO transition to work framework also inquires into the duration, nature and quality of the transition. For example, the transition period could be either quite brief or extended and could include periods out of the labour market (ILO 2009, p. 10). The ILO distinguishes between 'short', 'middling' and 'lengthy' transitions, defined as follows:

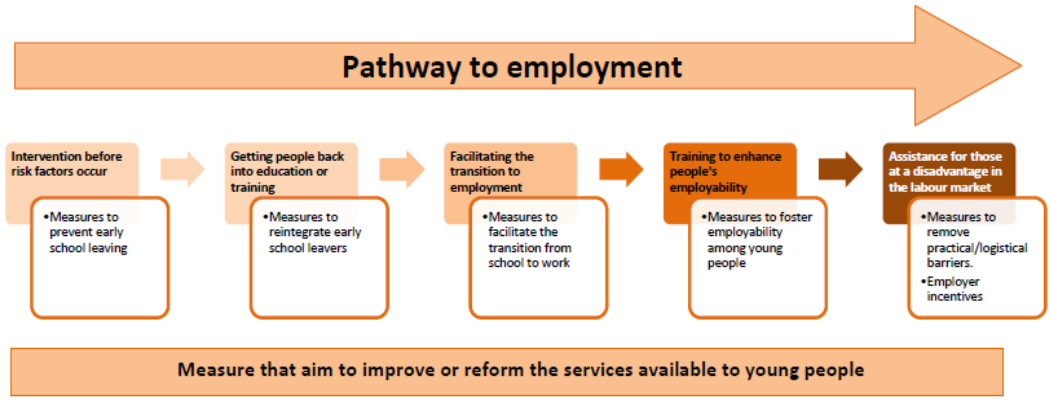
- **short transition:** 'a direct transition; a spell of temporary/self-employed/no-contract and non-satisfactory employment of less than one year with no spell of unemployment or inactivity; a spell of unemployment of less than three months (with or without spells of employment or inactivity); or a spell of inactivity of less than one year'
- **middling transition**: 'a spell of temporary/self/employed/no-contract and non-satisfactory employment of between one and two years with no spell of unemployment or inactivity; a spell of unemployment between three months and one year (with or without spells of employment or inactivity); or a spell of inactivity of one year or longer'
- **lengthy transition**: 'a spell of temporary/self-employed/no-contract and non-satisfactory employment of two years with no spell of unemployment or inactivity; or a spell of unemployment of one year or over (with or without spells of employment or inactivity)' (ILO 2009, pp.10–11).

These definitions distinguish between different pathways to satisfactory work and help to avoid conflating minor spells of unemployment or economic inactivity with long periods of unemployment.

Focusing on policy and programmatic responses

Eurofound's 'Pathway to Employment' (PTE) identifies five steps representing a sequential transition from school into employment. Here the focus is on interventions to assist young people along the path to employment. Policies that focus on school retention and reintegration are at one end, with labour market focused interventions at the other end of the continuum.

Figure 11 Eurofound's policy and program responses along the pathway to employment



Source: Eurofound 2012b, p. 108

In a number of reports, Eurofound describes policy interventions in terms of their goals and proposed approaches along the five-step path from school to work. Table 1 summarises these approaches (Eurofound 2012a; b; c).

Table 1 Pathway to employment: summary of approaches

Location on path from school to work	Policy or program goal	Approach
School	Prevention of early school leaving / retention in education or training	Diagnostic measures Career guidance and education assistance Alternative learning environments and innovative teaching methods Area-based policies
Post early exit from school	Reintegration of early school leavers / reconnection to school or connection with other training	Tracking services Second chance opportunities and alternative teaching formats Addressing more complex issues Financial incentives
Transition from school completion to work	Maximising investment in education and training by supporting young people's transition from school to work	Improved service delivery and offering youth guarantees Information, guidance and counselling Work experience and skills development Financial incentives
Towards labour market entry	Enhanced employability and job specific skills and competencies	Apprenticeships and vocational training Training courses Internships
Labour market	Support for the engagement, retention and advancement of those disadvantaged in the labour market	Addressing support needs Facilitating mobility and financial support Employer incentives and subsidies

Source: Based on Eurofound 2012b, p. 109. See more detail in Appendix.

While the PTE typology is useful in sorting youth policy and program interventions, the sequential categories suggest a standard linear path from education to work, although there is no reason why the path could not be interpreted as circular or iterative. The approaches listed in the table above entail a diverse group of policy responses which can operate at various levels of intervention. However, the PTE typology does not prescribe what levels of interventions are appropriate, what their scope should be, or who should be responsible for action within each category. The PTE framework has value if used as an organising framework and applied in an iterative manner.

Focusing on policy understandings and intent

In an article about youth vocational education policies in New Zealand, Strathdee outlines a typology of policy responses to youth disengagement from education and training. He identifies three types of often overlapping responses, which he describes as motivational, punishing, and bridging (Strathdee 2013).

Figure 12 Three broad policy strategies to 'reclaim the disengaged'

For Strathdee, 'motivational strategies' encourage young people to invest in their human capital through the acquisition of skills and qualifications and the development of networks. An example of a motivational strategy is unpaid internships, which can provide a young person with sound experience and extra networks, but provide no guarantee of employment.

‘Punishing strategies' are those that emphasise the stick rather than the carrot—for example, policies that 'reduce welfare dependence by making benefits harder to gain in the first instance and reducing entitlement where beneficiaries do not undertake mandated activities (such as looking for work)' (Strathdee 2013, p. 32).

Finally, 'bridging strategies' draw on social network theory and attempt to link disconnected or disadvantaged young people into networks that will increase their chance of obtaining a job. These strategies recognise the importance of broad networks in finding employment –what US economic sociologist Granovetter (1973) called the 'strength of weak ties'. Brokering or labour market intermediaries seek to augment or replace social networks to link individuals with employment opportunities. As Strathdee points out these kinds of strategies 'typically operate in conjunction with motivational and punishing strategies' (Strathdee 2013, p. 42).

Each of these types of policy strategies are based on different understandings of the problem. Motivational strategies understand the problem as a lack of skills; punishing strategies understand the problem as one of attitude and often characterise young unemployed people as feckless or lazy; and bridging strategies understand the problem as a lack of networks and links to employment.

Strathdee argues that no matter what strategy or combination of strategies is adopted they only have a limited effect. He gives the example of the marketised system of training in New Zealand in which 'much of the education and training available was not well linked to actual demand in the labour market for skill' (Strathdee 2013, p. 36).

Young people completed training, but poor quality and a mismatch with labour needs meant that training alone did not equip them for employment. He argues that this leads to a crisis of motivation, where

> people no longer accept values consistent with the needs of the economic system. Students ask, 'Why should I work hard to gain qualifications when there are no jobs?' The unemployed ask, 'Why should I go to work when rates of pay are so low and the conditions poor? (Strathdee 2013, p. 33).

Punishing strategies respond to this kind of crisis in motivation by creating sticks rather than carrots. Because these policies misunderstand the problem, a cycle of crises is generated, where one response is introduced, then fails; and then another is introduced and fails and so on. During this process, policies may lead to short-term employment gains for young people, but Strathdee points out that these gains may be limited to low-skill and low-wage jobs, with limited avenues for young people to transition into higher wage employment.

Strathdee's typology of policy strategies usefully highlights the interconnectedness of varying policy strategies and how they favour short-term impacts rather than long-term gains. However, his framework presents a relatively pessimistic point of view and offers no clear alternative directions.

Learning from international experience

A review of international experience can be useful because, as Lorenzo Moreno and his co-authors point out:

> Although the evidence of whether these policies and programs are effective is missing in most cases, they have the potential to offer promising ideas for implementation or testing (Moreno et al. 2014, p. vii).

With this in mind, we undertook a meta-review of OECD youth transition policies and programs to better understand the range of responses to youth transitions.

The review included reports by the ILO; the OECD; the European Foundation for the Improvement of Living and Working Conditions (also known as Eurofound), an agency of the European Union; the European Observatory Review, which is another partnership of multiple European countries; European Commission; and the World Bank.

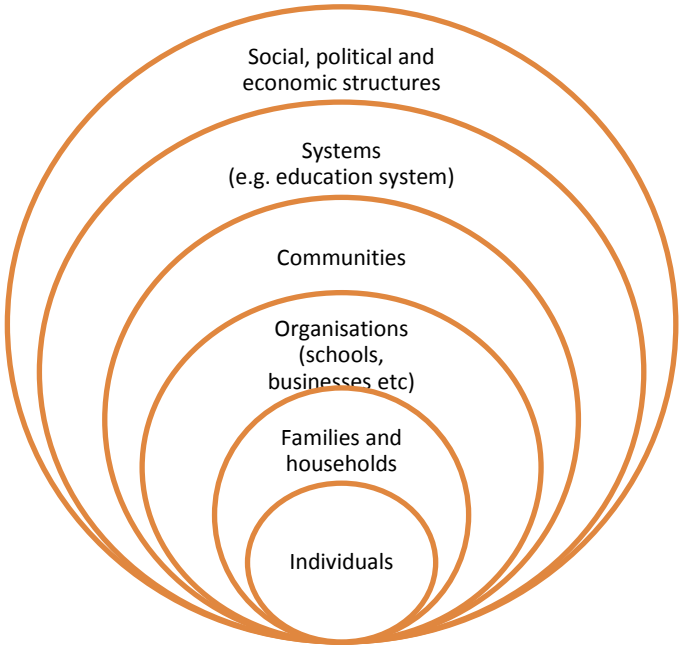
We do not compare overseas approaches with Australian programs and policies: that is the task of another paper. The purpose of this initial review is to set Australian policy efforts in context and to scope the nature of policy and programmatic responses in the OECD.

Our meta-review identified a range of measures which operate at different levels on the pathway to employment:

- social, political and economic structures
- systems (education system, industrial relations system, etc.)
- communities (place-based, ethnic communities, etc.)
- organisations (schools, businesses, etc.)
- families and households
- individuals.

It is important to note that these levels are not mutually exclusive.

Figure 13 Levels of policy interventions



Policy and programmatic responses may also have different motivations or intents; for example an approach such as monitoring can be enabling or punishing. We summarise the reviewed approaches in Table 2, categorising approaches according to their focus and intent. See the Appendix for more detail.

Table 2 Level, focus and nature of intervention

LEVEL	FOCUS					NATURE		
	Not yet transited		In transition					
	Prevention of early school leaving	**Reintegration of early school leaving**	**Facilitating the transition to employment**	**Training to enhance people's employability**	**Assistance for those at a disadvantage in the labour market**	**Motivating**	**Punishing**	**Bridging**
Systems *(e.g. education system)*	Collaboration and cooperation	Alternative learning environments & teaching methods	Youth Guarantees	Apprenticeships and dual training education		●	●	●
	Tracking and monitoring	Second chance schools	Reform of VET	Second chance learning	Coordination and collaboration	●		●
Organisa-tions *(e.g. schools, employers)*	Tracking and monitoring	Tracking and monitoring	Youth guidance centres			●	●	●
			Work experience and skills development	Internships	Financial (dis)incentives and subsidies	●	●	●
	Financial incentives	Alternative learning environments & teaching methods				●	●	●
			Career guidance			●		●
Places *(e.g. municipal-ities)*	Area-based policies	Career guidance Area-based policies	Career guidance Area-based policies	Facilitating mobility and financial support		●		●
Indivi-duals	Financial incentives	Financial incentives	Entrepreneurship support			●	●	●
	Tracking and monitoring	Tracking and monitoring					●	●
	Individual support	Individual support		Second chance learning		●		●
	Parental engagement				Addressing special support needs	●		●
	Career guidance					●		●

Policy and programmatic responses along the pathway to employment

Early school leaving and reintegration into education

The link between early school leaving and unemployment is often cited (European Commission 2013, p. 10), and there is widespread recognition of the broader benefits of education across the life course (OECD 2012).

The reviewed measures focus on those who have not yet transited to satisfactory employment, to use the ILO typology.

The measures identified include:

- collective effort, which requires collaboration and cooperation and systemic change
- monitoring and tracking systems which target individuals but can involve systems, organisations and individuals
- area-based policies which focus on collective effort and collaboration
- flexible learning options which can operate at a system level (for example second chance schools) or an organisation level
- financial incentives which can be aimed at schools, parents or individuals.

Facilitating the transition towards employment

These programs and policies are aimed at school students as well as young people who have left school. The reviewed measures tend to focus on career development, with an emerging trend of supporting entrepreneurship. They tend to be bridging or motivating in intent.

Measures to foster employability

The reviewed measures that seek to foster skills and provide young people with employment-related training include:

- work experience and skill development
- internships
- apprenticeships and vocational training.

These measures tend to be motivating or bridging in Strathdee's terms. They focus on those at school as well as those who are in transition to work.

Measures to assist those disadvantaged in the labour force

The reviewed measures include youth guarantees and special provisions to encourage employers to take on young people, and measures to facilitate young people's ability to move to take up opportunities for work or study. These measures may be motivating,

bridging or punishing in Strathdee's terms and focus on those who have left school but have not yet secured satisfactory employment.

Taking a longer and broader view

There is no lack of effort or activity, but often programs lack adequate resources or coordination. There is general agreement in the literature reviewed that youth services and policies tend to be short-term and fragmented. Much expertise and wisdom is lost when programs lose funding, especially when they have not been evaluated. Perhaps most significantly, our review and classification of initiatives highlights a glaring gap in structural interventions.

The structural drivers of youth unemployment are obscured by preoccupation with the journey rather than the destination. In this way, young people can be stuck in transit without a clear line of sight to satisfactory work.

4 What works?

There have been many attempts to answer the question 'what works?' to move young people into employment (see for example, Sweet 2012). Answering this question is difficult because of a lack of reliable evidence and because of the narrow policy and programmatic responses to the multidimensional issue of youth unemployment.

On a broader front, Australian economist Jeff Borland has undertaken an extensive review of evidence about whether active labour market policies work at all. He concludes that:

> active labour market programs cannot by themselves have a major impact on the rate of unemployment, but some spending on these programs is justified by outcomes such as increasing the pool of unemployed who are job ready and sharing the burden of unemployment …
>
> For unemployed with higher levels of disadvantage, priority should be given to programs that create jobs with opportunities for linked training, and that provide a pathway to a permanent job (Borland 2014, p. 1)

In a study from Denmark, where active labour market policies are in extensive use, Maibom and co-authors (2014) found that 'further intensification of an already quite intensive effort for youth did not increase employment'.

Lack of reliable evidence about what works

In their review of school-to-work transition programs, Betcherman and co-authors (2007, p. 63) point out, in the absence of rigorous evidence, 'program benefits are likely to be overestimated'. This feeds a cycle that prevents learning from experience, as 'best practice' is only ever suggested and not confirmed.

In response to this lack of evidence, recent initiatives have tried to assess the effectiveness of a wide array of youth employment programs. Here we focus on two:

- the World Bank's Youth Employment Inventory (YEI)
- the ILO's Good Practices on Youth Employment.

The World Bank's Youth Employment Inventory

The Youth Employment Inventory is a World Bank initiative that aims to 'improve the evidence base for making decisions about how to address the problem of youth employment' (Betcherman et al. 2007, p. i). By 2015 it draws together information from over 400 youth employment interventions across 90 countries, and focuses on interventions that target disadvantaged young people. The YEI is intended as an exhaustive collection, and explicitly is 'not confined to success stories, on the principle that there is a great deal to be learned from mistakes and failures' (Betcherman et al. 2007, p. 8).

Betcherman and co-authors' review of 172 programs where impacts were measured found that '132 (78 per cent) were rated as having had a positive impact in terms of the employment and/or earnings of participants'. However, the authors distinguish positive impact from program success by a measure of cost-effectiveness. With relatively few programs reporting a cost–benefit analysis, they observe that 'less than half of the programs in the inventory could be judged as successful' (Betcherman et al. 2007, p. iii). Cost-effectiveness is a priority for intergovernmental reviews. In the absence of cost–benefit analyses, it is hard to argue for high cost programs that – on the basis of short-term evaluations – can only demonstrate modest impacts for young people experiencing disadvantage. In terms of cost–benefit and impact effectiveness, the authors found no statistically significant difference between program type, leading them to argue that policy makers decisions should be 'based on the specific obstacles to employment that need to be overcome' rather than a preference for one type of program over another (Betcherman et al. 2007, p. iii).

The YEI review found that promising outcomes existed for second chance education, wage subsidies, and improving the chances of young entrepreneurs. However, findings were limited due to small sample size, the lack of a net impact evaluation and control group design, lack of cost-effectiveness evaluation or unknown long-term effects. More moderate and mixed evidence was identified for vocational training, and skills training. There was also mixed evidence for comprehensive multi-service approaches.

The YEI review highlights some key points for the assessment of youth employment and practice:

- Evaluation quality matters. Less rigorous studies without net impact evaluation tend to overestimate program success. Even those programs with positive net impact were largely deemed unsuccessful once cost–benefit effectiveness was taken into account.
- Training is the dominant form of intervention used to help young people improve their employment situation. But interventions to improve the functioning of training 'markets' through better information and financial instruments (e.g. subsidies, vouchers) are less common.
- The results of interventions oriented towards disadvantaged youth are as good, if not better, than more generally targeted programs.

The ILO's Good Practices on Youth Employment

The ILO's Good Practices on Youth Employment 'seeks to identify and share good practices that are effective in promoting decent work opportunities for young people' (ILO 2013b). The ILO also found little rigorous evidence of effectiveness, which they attributed to the cost of such evaluations. To make sense of available evidence they developed a hierarchy to rank promising yet under-researched initiatives:

- **research-validated good practice.** These programs have the highest level of proven effectiveness as they use only the most rigorous research such as control group designs
- **field-tested good practice.** Outcomes from these activities are supported by internally and externally validated data across different organisations and implementation contexts, albeit with limited replicability at a broader scale
- **promising practice.** Practices in this classification are more likely to be innovative activities supported by limited, yet promising, subjective and anecdotal material.

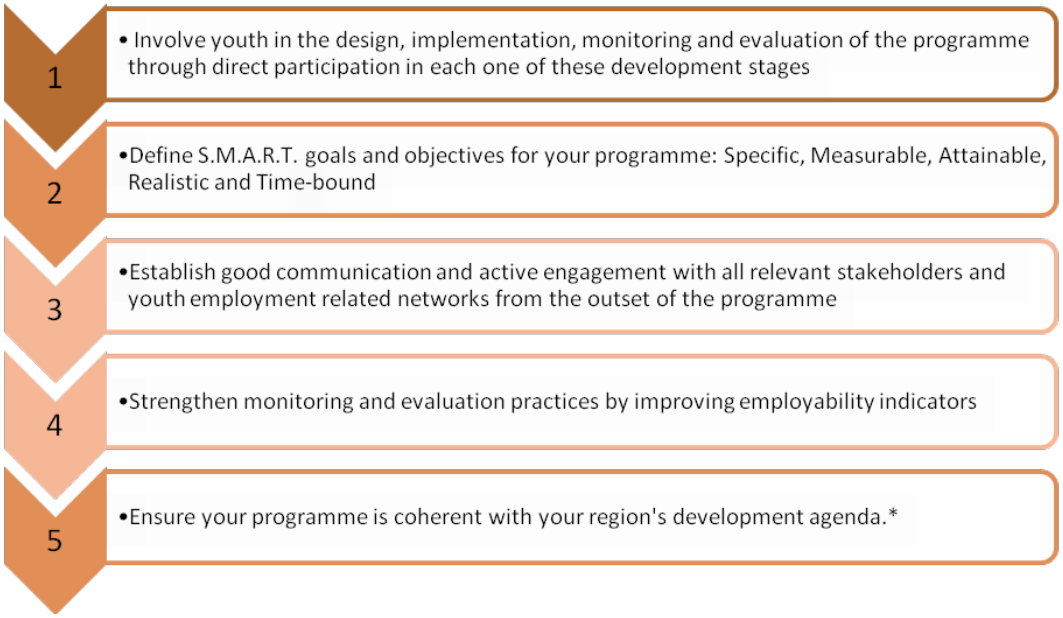
Based on their criteria, the ILO selected the top seven programs as exhibiting 'good practices'. While these programs are diverse, all seven target young people experiencing some kind of disadvantage and most shared some of the following features:

- a strengths-based approach
- enabling positive experiences
- demonstrated replicability across different contexts
- peer to peer coaching
- a focus on soft skills (ILO 2013b, p. 3).

However, most of these programs only reported short-term results and anecdotal evidence to support their effectiveness claims. As the ILO report argues, this leaves question marks over the long-term sustainability of outcomes and the attribution of positive outcomes to program impact. Only one program (Employment Fund in Nepal) was assessed by the reviewers as an example of research-validated good practice. Success in this program was defined not by activity but by rigorously tested improved employment and income outcomes (particularly for women), and its wide replicability. It is important to note that Nepal's Employment Fund was well resourced with a budget of $20 million, in contrast to the majority of initiatives which have more modest funding.

Based on its review of programs, the ILO identified five key strategies to improve practice (see Figure 14).

Figure 14 The ILO's five key recommendations to strengthen practice



*This refers to developing countries but is applicable more broadly.

Source: *ILO Good practices on youth employment*, cited by University of Colma, Mexico. See<http://youthpractices.ucol.mx/recomendaciones.php?lang=en>

A multifocal approach

Although little rigorous evidence exists to answer the question 'what works?', there are useful frameworks to assess different forms of evaluations and conceptual frameworks to make sense of the plethora of programs and policies.

The OECD, ILO and World Bank Group point out that:

> Sustainable, balanced and equitable growth also requires policies that improve employment opportunities and outcomes for the working-age population and in particular for those groups that have suffered most during the recession or face long-term exclusion and vulnerability (ILO & OECD 2014, p. 1).

They recognise that 'the youth employment crisis will not be overcome without stronger employment growth'. Importantly, they also argue that:

> A comprehensive set of measures that combine interventions to increase labour demand with youth-targeted employment programmes, particularly for disadvantaged youth, is required to durably improve labour market outcomes for all youth (ILO & OECD 2014, p. 1).

If we do not successfully address the challenge of youth unemployment we run the risk of a cycle of crises, as Strathdee has argued in relation to vocational training in New Zealand. This is why it is important to adopt a multifocal approach, re-examine issues about youth employment, critically examine our expectations of young people, and re-imagine the links between formal education and employment across the life course.

We need coherent and longer term policies and programs that build on past experience and avoid the pitfalls of system fragmentation. In turn, this requires an understanding of the multidimensional; multilevel, multi-sectoral nature of youth transitions.

Such an approach does not imply that one level of focus is inherently better than another. For instance, there are times when an individual focus on remediating skills may be required to address immediate needs of young people. What a multifocal perspective adds is a view of the range of possible responses and, importantly, it keeps both the long and short term in view.

5 Next steps

In this paper, we have argued that despite the considerable economic, social, demographic and technological change since the 1970s, youth policy and programs are caught in a cycle of activity that does not adequately address the challenges confronting young women and men.

Our review of academic and other literature identified three frameworks that are useful in making sense of youth transitions policies and programs. The ILO's detailed definitions of the stages of the transition from school to work enable an assessment of the quality of the transition to satisfactory work and keep the destination in sight. The 'Pathways to Employment' typology provides an initial sorting frame to organise youth transition interventions along a continuum, reflecting the steps which may be part of young people's move from school to work. When combined with the ILO framework, it helps to widen the focus to include the nature and extent of available jobs, rather than only the limitations of individuals. Finally, Strathdee's typology of policy strategies allows for an examination of assumptions underpinning youth policies.

Drawing on these frameworks we discussed initiatives in the international literature which highlight common approaches and their strengths and weaknesses. Inadequate funding and lack of effective collaboration are two common challenges. In addition, the shortage of rigorous evidence and insufficient attention to structural drivers of youth unemployment combine to produce little real change, despite much effort and activity.

This paper is a first step to inform the development of more effective policies and programs to meet the needs of young women and men in the short and longer term. The next step is to examine current transition-related policies and programs, such as VET, and employer engagement programs, and to conceptualise alternative frameworks to enable young people's successful transition from education to employment.

There is increasing awareness of the need for new approaches to youth unemployment and opportunities. This paper provides the foundation for further work to understand what is needed to provide equitable opportunities for young people.

Two key areas of further research are recommended in the Australian context:

1 An analysis of LSAY data that considers the impacts of specific policies from an historical perspective could be useful to assess the effectiveness of past youth transition policies. This could then inform evaluative frameworks and policies to better enable young people to secure satisfactory employment.
2 Several attempts have been made to develop new approaches to youth transitions drawing on Sen's capabilities approach. However, they are often undeveloped and tend to confuse individual capabilities with Sen's broader use of the term (see for example,Wheelahan & Davis 2014; Wheelahan, Moodie & Buchanan 2012). The capabilities approach holds promise to closely link the goal of satisfactory employment with broader community and economic goals.

Appendix: International approaches to youth transition from education to work

Early school leaving and reintegration into education

Collective effort

It is increasingly recognised that early school leaving requires a multidimensional response. For example, in a review of policy responses to young people not in employment, education or training, Eurofound states:

> Early school-leaving is no longer seen as an individual problem caused by the young person and their environment. Instead, it is acknowledged that the reasons leading to young people dropping out of school early are manifold and cumulative; often it is a combination of problems with existing mainstream education and more complex personal needs. It is therefore an issue that can be averted in a collective effort that involves the education system, schools and society (Eurofound 2012b, p. 110).

The OECD also emphasises the importance of **systemic reform**, arguing that education systems need to be fair and inclusive in their design, practices, and resourcing if they are to reduce school failure and early school leaving. The report *Overcoming school failure: policies that work* (OECD 2010b) identifies ten steps to equity in education, categorised in terms of design, practices and resourcing (see Box A1).

Box A1 Ten steps to equity in education

Design

1 Limit early streaming and postpone academic selection
2 Manage school choice so as to contain the risks to equity
3 In upper secondary education, provide attractive alternatives, remove dead ends and prevent dropout
4 Offer second chances to gain from education

Practices

5 Identify and provide systematic help to those who fall behind at school and reduce year repetition
6 Strengthen the links between school and home to help disadvantaged parents help their children to learn
7 Respond to diversity and provide for the successful inclusion of migrants and minorities within mainstream education

Resourcing

8 Provide strong education for all, giving priority to early childhood provision and basic schooling
9 Direct resources to the students or schools with the greatest needs, so that poorer communities have at least the same level of provision as those better-off and schools in difficulty are supported
10 Set concrete targets for more equity, particularly related to low school attainment and dropouts

Source: OECD 2010

The European Commission also takes a multidimensional approach and summarises approaches to early school leaving in terms of prevention, intervention and compensation (European Commission 2013, p. 12). It highlights the importance of governance and regulatory and administrative processes to underpin these interventions.

Table A1 Elements of approaches to early school leaving

Governance and cooperation Cooperation of national, regional and local actors – national cooperation – progressive approach-local and regional education – sustainable funding – cross-sectoral cooperation – stakeholder involvement – learning cooperation – monitoring and evaluation		
Data collection and monitoring Data collection systems – sensitivity of data- timeliness and transparency – use of data		
Prevention	**Intervention**	**Compensation**
Access to good quality ECEC	Effective and evidence-based early warning systems	Accessibility and relevance of second chance education
Relevant and engaging curriculum	Focus on individual needs	Recognition
Flexible educational pathways	Systemic support frameworks	Commitment and governance
Integration of migrants and minorities	Extra-curricular and out-of-school activities	Personalised and holistic approach
Smooth transition between educational levels	Support to teachers	Distinctive learning experience
High quality VET	Empowering families and parents	Flexibility in curricula
Involvement of pupils in decision making		Teacher involvement and support
Teacher education		Links to mainstream education
Strong guidance systems		

Source: European Commission 2013, p. 12

Monitoring and tracking systems

Many European countries have either had electronic tracking systems for some years or recently introduced them. These systems can be bridging, motivating or punishing (in Strathdee's terms, see p. 21) and can focus on young people in school as well as those who have left school. For example, 'Your School' in Lithuania is used for communication for students, parents and teachers whereas Estonia's Basic Schools and Upper Secondary Schools Act defines the roles of students, parents, schools and the municipality in addressing absenteeism, and obliges teachers to contact parents for

every absence. In some parts of Spain, the police are involved in identifying young people aged under 16 who are not in school during school hours (EEOR 2011, p. 11; Eurofound 2012b, pp. 110–11).

In Luxembourg, monthly status updates are collected on early school leavers (Eurofound 2012b, p. 116), and in the United Kingdom, the former Connexions program developed a national database to track 13–19 year olds (Eurofound 2012a, p. 50). In some countries, there is a mandate for local governments (via public employment services / one stop shops) to develop plans for unemployed young people within a set time, for example, three months in Finland (Eurofound 2012b, p. 120). Such programs may enable extra support to at risk students, but they require adequate resourcing.

Area-based policies

Area-based policies target locations that have been identified as disadvantaged or 'priority zones' with high rates of early school leaving, instead of targeting only those. Those most 'at risk' within the targeted area. Nevertheless, these approaches have been criticised by some analysts for the difficulty in measuring impact (Bénabou, Kramaz & Prost 2009; Lyche 2010).

Area-based policies may provide additional funding for disadvantaged schools. Initiatives have included introducing new teaching methods, hiring specialist teachers, improving infrastructure and programs to lift student aspirations. Some area-based policies, such as Spain's 'Learning Communities' program, are whole-of-community, grassroots responses which engage volunteers, former students and non-government organisations. Eurofound (2012b, p. 112) states that schools participating in similar programs in Cyprus and Portugal have reduced the rate of early school leaving. However, if the funding is inadequate, as has been said of France's Priority Education program, it may be 'too diluted to have any measurable impact' (Eurofound 2012a). In other words, adequate resourcing of initiatives is important.

Flexible learning

In Iceland schools have scope to develop flexible courses and increase student options, counselling is provided to help students identify the option that suits them and in addition to the standard four-year program, leaving certificates can be obtained after shorter programs (e.g. 1.5–2 years) (EEOR 2011, p. 11). In other European countries there has been an emphasis on improving teaching methods, the curriculum and teacher quality, as well as reducing class sizes.

The use of alternative learning environments and innovative teaching methods is a common strategy to prevent early school leaving. Eurofound emphasises the need for a strong connection to the mainstream:

> the most important feature of alternative learning environments is that students still belong to the same public school, but are physically in a separate location or classroom, doing alternative activities for a specific period of time (Eurofound 2012b, p. 112).

These strategies can range from special classes for those identified at risk to broader inclusive approaches to education. For example, in Luxembourg, 'mosaic classes' provide young people at risk of early school leaving with personalised help for 6–12 weeks. Catch-up classes and teaching support aim to assist underachieving students, including those from disadvantaged backgrounds, migrants and those with special needs. In Hungary, Tanoda centres 'provide extra support that other children would normally receive at home' such as homework support, art, sport activities and mentoring (Eurofound 2012b, p. 112).

Offering vocational education within mainstream schools is another approach to prevent early school leaving. For example, in Sweden young people in vocational programs spend half their time at school and half at the workplace. Similar programs operate in Norway and Germany, and in Italy 15–18 year olds are eligible to participate in the school work alternation program. However, there is a risk that young people could be streamed inappropriately and find their opportunities narrowed. To address this risk, France has introduced 'an experimentation' in 117 schools aimed at enabling families and pupils to have the final say in the decision-making process' about academic or vocational education.

'Second chance schools' provide early school leavers with non-mainstream opportunities to re-engage in education. In France and Greece there are dedicated second chance schools which offer training in basic skills (Eurofound 2012b). Similarly, the Springboard program in Hungary provides young people with the chance to address skills gaps before they enter vocational training (Eurofound 2012a). In Spain, the Initial Qualification Program for young people aged over 16 similar acts as a bridging program to provide a basic qualification so they can enter mainstream vocational training. The schools offer more flexible hours, including evening classes. In Portugal, there is a mobile education system for the traveller community. These kinds of programs can revitalise the interest of young people who have rejected formal learning, but there is a risk that second chance qualifications may not be valued by employers (Eurofound 2012b, p. 120).

Austrian production schools do not offer full accredited training but instead offer young people a new orientation through vocational guidance, practical learning, work placements and tasters, catch-up learning and social support. Youthreach similarly provides individual education plans, career counselling, work placements and basic, flexible education in literacy, numeracy, health, sport and vocational subjects. Eurofound sees some value in this preventative approach but cautions:

> If the root causes are not addressed, the integration efforts lead to a 'yo-yo' effect – young people taking up a job or study place but then dropping out and ending up unemployed again (Eurofound 2012a).

Financial incentives

Financial incentives can be used either as an incentive for school attendance or as a penalty for non-attendance (Eurofound 2012b pp.113 and116). These incentives can be directed to parents or to schools (Lyche 2010). In the Netherlands, the responsibility rests with schools, and financial incentives are provided for schools' achievements in reducing early school leaving.

In Ireland, the focus is on engaging with parents rather than punitive approaches. For example, the Home School Liaison Scheme seeks to improve communication between parents and the school and establish parent–teacher partnerships (Eurofound 2012b, p. 112).

Lyche (2010) argues that means-tested support for students in low-income families has had a substantial impact on participation rates. Financial incentives have also been used to re-engage young people. For example, during 2011–2013 Sweden provided a higher rate of student aid to unemployed 20–24 year olds who did not have an upper secondary qualification. In the UK during 2006–2011, an Activity Allowance pilot provided an additional allowance to 16–17 year olds not in education or training (NEETs) if they participated in a personalised plan to re-engage in learning (Eurofound 2012b, p. 118). While these measures can be useful in re-engaging those experiencing financial barriers to participation, they require adequate funding.

Facilitating the transition towards employment

Career guidance and educational assistance

Information and guidance to assist young people to make educational and career decisions are important, but as the European Commission report on early school leaving points out:

> It is important that guidance goes beyond the simple provision of information and focuses on the individual in relation to their particular needs and circumstances. Guidance could be provided through interactive methods (mentoring, coaching, one-to-one guidance, work placements) and through online services (European Commission 2013).

Career guidance and education assistance can includes bridging programs (to ensure young people do not leave school without a qualification), career tasters and classes (for example for Year 7 and 8 students to identify interests, aspirations and potential occupations), and mentoring for those in their final year of vocational training. These approaches tend to focus on the individual. Denmark takes a more comprehensive approach (European Commission 2013, p. 40) (see Box 2).

Box A2 Youth Guidance Centres, Denmark

In Denmark, 52 municipal Youth Guidance Centres help young people continue or complete their chosen education programme. The main target groups are pupils in primary and lower secondary school and young people under the age of 25 who are not involved in education, training or employment. The Youth Guidance Centres support young people during their studies and in their transition to the labour market. In compulsory education, each pupil is required to prepare an education plan in partnership with a youth guidance counsellor. The pupil is expected to participate in a series of consultations in order to develop these plans and is encouraged to start thinking ahead to employment and further education opportunities after compulsory education. If the pupil is unable to decide, the pupil may be offered a 10-day 'bridging course' that introduces the pupil to various educational pathways and job-fields. Furthermore, after compulsory education, Danish municipalities are legally obliged to monitor all young people between 15–17 years of age and help those who are not in employment or education (European Commission 2013, p. 40).

Preparing young people for employment commonly includes providing information, career guidance and counselling and assistance with CVs and interview skills. The mode of delivery varies, some countries providing school-based guidance. For example, Austria provides one careers lesson per week in Year 7 and 8, and a project in Slovenia informs young people about skill shortage areas.

Public employment services also seek to prepare young people for employment. Their measures include electronic assistance with job searching and CV matching, and more personalised assistance for disadvantaged young people. In Denmark, youth guidance centres have a statutory responsibility to develop educational plans for up people up to 18 and guidance for 18–25 year olds who have not engaged in a youth education program (Eurofound 2012b). Online portals such as the Latvian 'education and career internet portal' provide information and can engage young people in early career planning and assist them to make informed choices. They also have the potential to address other broad barriers to participation, and to bring together employers and young people. However, portals require adequate funding and there is a risk that they assist only those who are most work ready (Eurofound 2012b, p. 127).

Entrepreneurship support

A number of countries offer young people advice and support on setting up a business. For example, Greece has had a scheme that provides counselling through a network of professionals. Other countries (e.g. Cyprus and Slovakia) offer financial support for young entrepreneurs; this may take the form of grants and loans, tax exemptions for under 35s and exemptions from social security contributions. These schemes have been criticised for encouraging unrealistic expectations and minimising the risks associated with setting up a business (ILO 2012).

Measures to foster employability

Work experience opportunities and skills development

> A significant barrier for young people is the lack of work experience. It is widely acknowledged that schemes that combine work experience and study can play a critical role in helping young people make a smoother transition from school to work (Eurofound 2014).

Many countries have programs that provide paid or unpaid work experience. For example, Slovakia's 'graduate practice' program for school leavers enables young people to gain practical experience for 3–6 months, the Netherlands' 'learn–work jobs' enable young people in 'learning companies' to gain experience in an area of interest while earning a salary; and its 'XXL Jobs' initiative provides opportunities for young people in sectors with older workers so their knowledge can be transferred (Eurofound 2012b, p. 112).

Careful job matching of young people to companies increases the likelihood of the young person being kept on after the program ends (Eurofound 2014). In this respect, they play a bridging role. However, they are often of short duration and there is a risk that some employers will view work experience placements as a source of cheap, temporary labour (Eurofound 2012b).

Internships

Internships are another opportunity to improve employability, develop skills and gain experience. For example, Sweden's Young Potentials Programme provides 3–6 months with a major company such as IKEA and a month of work experience with a non-government organisation (NGO). However, internships do not guarantee employment; and concern is growing about the development of an 'internship generation'. In France it is estimated that half of all university graduates with a masters or higher degree have completed three or more internships (Eurofound 2012c).

Eurofound (2014) emphasises quality work placements which are tailored to the person's development needs, and include mentoring and monitoring. They note that to address the challenges, many schemes have been incorporated within larger policy programs. The EEOR observes that some countries combine internships with accredited training, also providing employment subsidies or a wage equivalent to minimum wage, coaching, guidance and job skills. They note that some countries focus on specific sectors such as green jobs (EEOR 2011).

Many European countries have introduced schemes to recognise the informal learning undertaken by young people through internships, volunteer experience and summer jobs. This can provide an important step towards formal training.

Apprenticeships and vocational training

The importance of a strong link between vocational training and labour market demands is well recognised (EEOR 2011). As the OECD and ILO observe, there is a 'revived interest

in apprenticeship training' (ILO & OECD 2014). Germany and Austria are sometimes referred to as 'apprenticeship countries' due to their emphasis on vocational training and apprenticeships (Eurofound 2012b). The German approach to vocational training is embedded in schools, and as the OECD and ILO observe

> Several countries have turned to the positive experience of Germany – a country with a long tradition of apprenticeship training – as an inspiration to revive existing apprenticeship systems or develop new ones. One such country is the Republic of Korea, which, in January 2014, began a dual system inspired by the German, British and Australian apprenticeship systems. Also, China is accelerating the development of a modern vocational education system that better integrates the worlds of education and work (ILO & OECD 2014).

In Hungary, regionally integrated vocational centres seek to match training with job opportunities, while in Croatia, half of all professional development for vocational teachers is provided in relevant companies (EEOR 2011).

Ireland's FAS traineeships enable young people to alternate between on and off the job training while the Vocational Training Opportunities Scheme prepares low-skilled young people for training or employment through basic educational and vocational training (Eurofound 2012b, p. 128). Other countries such as Germany and Hungary have also opened apprenticeships those with lower levels of education, e.g. Year 9, through prevocational training (EEOR 2011). Italy introduced a scheme for 18–29 year olds to complete upper secondary and tertiary education via apprenticeships and gain a second or third qualification (up to doctoral level) via training and paid employment. The FiXO and AlmaLaurea programs in Italy provide graduates with company-based traineeships linked to the curriculum (Eurofound 2014).

It is not always easy for young people to find or complete apprenticeships. Other initiatives include Ireland's scheme to assists redundant apprentices and those who cannot find places, while in Austria young people who cannot find a place can participate in 'supra company apprenticeships' by completing their training in apprenticeship workshops (Eurofound 2012b).

Vocational education and training can ensure that young people gain relevant skills matched to the labour market and has the potential to lead to employment. However, it needs to be embedded in the education and training system, and offer apprenticeship opportunities (Eurofound 2012a). It is also increasingly acknowledged that reform of the vocational education and training sector is needed to tackle the sector's 'poor public perception, weak monitoring and evaluation mechanisms, inadequate financing, poor management and ill-adapted organizational structures' (ILO 2012).

Measures to assist those disadvantaged in the labour force

Improving service delivery and offering youth guarantees

In 2010 the European Parliament passed a European Youth Guarantee providing young people who had been unemployed for four months with the right to further training, combined training and employment (ILO 2012). The ILO (2013c) observes, however, that these guarantees do not offer *an entitlement* to a job, participation may be obligatory and some guarantees fail to address structural factors such as the availability of suitable jobs.

Such guarantees can encourage public employment services to focus on young people. However, the youth guarantees of some countries may be symbolic and not fully funded, and the success of public employment services is dependent on other policies (e.g. student places) collaboration between organisations and the availability of employment (Eurofound 2012b).

Subsidies and quotas and special provisions

Wage subsidies and reductions in employers' social security contributions are designed to encourage employers to take on young employees. These incentives are linked to young workers, are time-limited (e.g. one year after recruitment) and sometimes are available only for new jobs or where the employee is retained for a set period. Other approaches target groups facing particular challenges to employment such as those experiencing disadvantage, with disabilities, or those returning after a childcare break. For example, Finland's Chances card (Sanssi-kortti) targets 18–30 year olds who are unemployed and VET or higher education graduates (Eurofound 2012b). Some countries such as France also use disincentives such as fining employers who do not meet their quota of apprentices.

Wage and apprenticeship subsidies can provide young people with work experience opportunities. They may encourage ‘employers to take on people they might not have otherwise employed’ which may help change attitudes towards hiring younger workers (Eurofound 2012a). However, evidence of their effectiveness is mixed: some research suggests that wage subsidies work best when they are targeted to address specific labour market disadvantages faced by young people and are time-limited (ILO 2012). Subsidies also carry some risks such as deadweight or displacement effects because some employers would have hired the young person anyway. Furthermore, some companies may ‘exploit’ subsidy schemes (Eurofound 2012a). The ILO highlights the risks for young people:

> Some experiences suggest that incentivizing the hiring of young workers at the expense of their rights and social benefits, such as pensions, and health and unemployment insurance, results in increased vulnerability and insecurity on a long-term basis. The ILO has previously reviewed these consequences, highlighting of the fact that low levels of protection and assistance by the State may impact the future development of young workers and their confidence in public institutions (ILO 2012).

Some countries have special provisions for young people's employment. For example, in the Netherlands, employers are generally required to offer workers open-ended contracts after three consecutive contracts or consecutive contracts that exceed 36 weeks, but for young people these provisions have been modified to allow for four fixed-term contracts or consecutive contracts that exceed 48 months before an open-ended contract is required (EEOR 2011).

Facilitating mobility and financial support

Mobility grants and assistance with accommodation costs are often targeted to people who have been out of education and employment. These approaches seek to address geographic mismatches between labour supply and demand but they may also entail disconnection from family and friends (Eurofound 2012b).

The EU's 'Youth on the move' initiative recommends enhancing the mobility of students (EEOR 2011, p. 24). In addition to study abroad programs such as Erasmus, initiatives include the European Credit Transfer and Accumulation System, the European qualifications framework for lifelong learning, Europass and a 'Youth on the move' student card which provides access to information, discounts and networks to support integration into a new environment. In Malta, students can obtain subsidised loans to study subjects in other countries that are unavailable locally. In the Netherlands, students are permitted to keep their scholarships while participating in international exchanges and a new law permits the creation of university degrees studied across countries. Other schemes in the Netherlands and Spain create international internships (EEOR 2011, p. 25).

Schemes to promote national mobility for employment, such as Bulgaria's 'Close to work' scheme covers travel costs of the newly employed for 12 months if they live more than 80 km from the workplace (Eurofound 2012b). Other European countries have implemented measures to promote transnational mobility. For example, Belgium has encouraged young people to 'cross the linguistic border' in their job searching and provides language vouchers to assist young people to prepare for the move (EEOR 2011).

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