

CHAPTER 4: CONCLUSIONS AND POLICY RECOMMENDATIONS

4.1 INTRODUCTION

This chapter outlines the main conclusions and related policy recommendations arising from the CATEWE project. The project set out to address the deficit in existing transitions research by developing a more adequate framework for examining the relationship between education, training and labour market contexts in different national contexts, and applying this framework to empirical studies of transition processes in a range of European countries. The main research question underlying the project can be seen as: "How do national systems shape transition processes and outcomes?". In particular, we sought to identify:

1. The nature of variation (and similarity) in education and training systems across Europe;
2. The extent of inequalities in educational outcomes by gender, social class and ethnicity, and the way in which these differences may vary across systems;
3. The nature of transition processes, and their variation across national systems;
4. The relationship between (different kinds of) educational outcomes and transition processes and outcomes; and,
5. The extent of inequalities in transition outcomes (by gender, social class and ethnicity), and the way in which these differences may vary across systems.

The remainder of this chapter summarises our conclusions in relation to these issues and identifies the ways in which the project has contributed to our understanding of transition processes across Europe.

Section 4.2 reviews the nature of transition processes and outcomes, highlighting the distinctive features of the transition from education to work in Europe at the turn of the millennium, the way in which transitions are changing and the way in which they vary across countries. In section 4.3 we summarise our conclusions about the differences in national transition systems which explain this variation. In section 4.4 we explore more specific issues: the role of education in the transition process, the relative importance of general and vocational education, and the nature of inequalities among young people. Finally, in section 4.5 we summarise our conclusions and recommendations on data issues.

4.2 CHANGING TRANSITION PROCESSES AND OUTCOMES

Throughout the European Union, participation and attainment in education have been expanding. By the late 1990s, the proportion of 25-29 year olds in the EU with no qualifications beyond lower-secondary education stood at 30 per cent, and the proportion with tertiary qualifications stood at more than 20 per cent. These proportions varied across countries: for example, the UK and southern European countries have more low-qualified young people than elsewhere. However, at secondary level country differences have narrowed over time, as countries like Ireland and Spain with formerly low levels of upper-secondary attainment caught up with the others. At tertiary level, however, there is less evidence of convergence. In some countries (notably Austria and Italy), tertiary attainment has tended to lag behind the rest. In general, the tertiary sector has tended to expand faster in countries with a less developed vocational education at upper-secondary level.

As a result of these trends, young people now enter the full-time labour market with higher qualification levels and at a later age than previously. However, there are still wide differences within and between countries in the age at which people enter the labour market, even among young people with the same educational level.

In some European countries only a minority of young people experience relatively stable employment during their first few years in the labour market. For many young people these years are characterised by unemployment or unstable employment, with a series of moves between different statuses such as education, unemployment, inactivity, youth programmes, military service and part-time, temporary or permanent jobs, or combinations of these. However, typical transition patterns vary across countries.

In most countries unemployment rates are much higher among young people entering the labour market than among older workers. Unemployment risks decline with the length of time in the labour market. However, young people who remain unemployed for a long period face reduced chances of obtaining a job. These patterns vary across countries as does the overall youth unemployment rate. However, comparisons are

affected by the way in which youth unemployment is measured. In countries with high participation in education, youth unemployment may be high when expressed as a percentage of young people in the labour force, but relatively low as a proportion of the total age group. On the former definition, the EU unemployment rate for 1995-97 was around 25 per cent for 16-21 year olds, declining with age to below 10 per cent at age 33. As a percentage of the age group, unemployment rose to around 14 per cent at age 21 and then declined more slowly, falling below 10 per cent at age 28.

A growing proportion of young people pass through intermediate or mixed statuses that are neither wholly in education nor wholly in the labour market. These include training or employment programmes for young people. Most of these programmes were introduced as a response to high youth unemployment. In some countries they retain this function but in others they have been, to varying degrees, assimilated into the initial training system. They also vary widely in scale and in content, some offering work experience only and others offering structured training.

Other intermediate statuses include 'dual' statuses which combine education and work. Across the EU in the mid 1990s, 2 per cent of the whole employed labour force (of all ages) were students in initial education who also had jobs; a further 2 per cent were apprentices; and 6 per cent were workers attending continuing education. The first two of these categories were heavily concentrated among young people; the third category (studying workers) was more evenly distributed across age groups with the highest representation among people in their 20s. Apprenticeship was most common in Germany, the UK, Denmark and Austria. The number of working students, and the number of studying workers, tended to be much higher in northern countries (Denmark, Finland, the Netherlands, the UK and Sweden) than elsewhere. All three dual status categories tend to be less common in southern European countries.

A growing proportion of young people spend time in 'non-standard' forms of employment, such as part-time or temporary jobs. Once again, the extent of these varies very widely across countries. In some countries, a large proportion of young people take one or more temporary jobs before they find permanent employment; in other countries, temporary jobs are a relatively insignificant feature of the youth labour market. There is nevertheless a general trend for young people to move from

less secure to more secure jobs as they grow older. They also tend to move from jobs with lower to higher occupational status, although the extent and nature of occupational mobility also varies across countries.

It is arbitrary to identify any one status as the ‘final’ outcome of transition. But when – and if – young people find full-time and relatively stable employment, they are more likely than adults to work in clerical or sales occupations or in certain service-sector industries such as hotels and restaurants.

Finally, these processes and outcomes of transition vary for males and females, for young people from different social backgrounds, and for young people with different levels and types of attainment in initial education. We discuss these differences further in section 4.4 below. While variations by gender, background and level are found everywhere, their precise form may vary between countries.

These changing characteristics of the transition from education to work have implications for guidance and information services, which become more important with the longer duration and greater complexity of the transition process. They also have clear implications for policy-making structures. If the various ‘statuses’ involved in the transition are the responsibility of different ministries or agencies at national level (such as Education, Training, Employment, Social Security), co-ordination among them is essential.

4.3 CLASSIFYING TRANSITION SYSTEMS

4.3.1 The continuum of transition systems

In our brief summary of transition processes and outcomes we have drawn attention to the fact that they vary across countries. What are the main types or dimensions of national transition systems which explain this variation?

In developing our initial conceptual framework (see Chapter 3), we identified several dimensions of variation in national transition systems, and suggested that many of these were correlated and could be represented as a single continuum. At one end of

this continuum are countries such as Germany with strong occupational labour markets (OLMs), standardised and track-differentiated education systems, and strong links between education and the labour market (often through apprenticeship systems). At the other end of the continuum are countries dominated by internal labour markets (ILMs), with less standardised and less differentiated education systems, weaker links between education and the labour market and little formal work-based training. Examples of the latter type of country include the United States and, within Europe, Ireland and Scotland, except that (like other EU countries) their education systems are more standardised and linkages between education and the labour market are characterised by relatively strong market signals.

For practical reasons, many of the project analyses either focused on a single dimension of variation in transition systems rather than on the continuum as a whole, or they used categorical rather than continuous measures to classify systems. Nevertheless, the analyses confirm the value of the conceptual approach adopted by the CATEWE team. The dimensions of variation in transition systems are indeed found to be correlated, and countries' transition systems tend to be distributed along a continuum such as that described above. Moreover, this continuum helps to explain national variation in transition processes and outcomes. For example, in countries at the former end of the continuum, characterised by OLMs and strong linkages between education and the labour market:

- youth unemployment rates tend to be lower, and the ratio of youth to adult unemployment rates is lower;
- more young people enter the labour market with vocational upper-secondary education, and somewhat fewer enter with tertiary level qualifications;
- the process of entry to the labour market tends to be smoother; and,
- initial employment is less likely to be in secondary-sector jobs, and employment tends to be more stable.

Most of these differences are broadly consistent with the theoretical ideas underlying our hypothesised continuum. However, the very fact that the component dimensions of this continuum are correlated makes it difficult to distinguish empirically among them, and among the different theories associated with them, on the basis of

comparisons of a small number of European countries. The ‘intensive’ approach to comparisons (see chapter 3) deals with the problem raised by a small sample of countries by testing multiple predictions based on its theoretical starting point. However existing theories tend to focus on one dimension at a time. We need theoretical perspectives which take account of the interrelationships of different dimensions, and in particular a theory which links the educational and labour-market dimensions of variation in transition systems.

However, while our research confirms the utility of representing transition systems in terms of the continuum described above, it also reveals the limits of the continuum as a single explanatory tool. At least four further issues need to be taken into account.

4.3.2 Other dimensions of variation in transition systems

In the first place, the research shows that other dimensions of transition systems, which vary independently of the overarching continuum, are important. These include

- the strength of labour-market regulation, which affects the extent to which new entrants are 'outsiders' in the labour market and consequently influences their employment and unemployment chances. Sometimes the influence is indirect, if strong regulation of the adult market is accompanied by a less regulated sector for young people;
- the extent to which educational achievements are differentiated ‘vertically’ by formal grades or levels. This may be especially important in systems where track-differentiation is weak;
- family structure, and associated with this the state institutions (such as welfare régimes) which incorporate assumptions about family obligations, and other social institutions, such as housing markets, which may underpin these assumptions. Especially in Mediterranean or southern European countries, family support appears to influence the kinds of jobs which young people looking for jobs are prepared to accept and the length of time they are prepared to wait before accepting a job;
- more generally, aspects of the supply side of the youth labour market – young people’s preferences, transition norms, expectations about dependence and

independence and the age of transitions to adulthood. Our initial conceptual framework tended to assume that these aspects were constant across all countries, so that differences could be attributed to features of the demand side and of educational and labour-market institutions.

4.3.3 Country-specific features

Second, not only are there additional dimensions but national transition systems may have features which are specific to the country concerned and not easily reducible to the general dimensions of the conceptual framework.

For example, Schröder (2000) finds variations in the scale, target group and function of youth programmes across the five countries in the school leavers' survey dataset. While these variations are partly explained in terms of general dimensions of transition systems (labour-market regulation and the strength of linkages between education and the labour market), they sometimes require more specific explanations. For example, Scottish youth training programmes do not conform to Schröder's theoretical model, because they have been developed into a mass training scheme for employed as well as unemployed young people, a fact which in turn calls for a more contextualised, country-specific explanation.

In chapter 3 we described three methodological approaches to comparison. The project has used the third of these, the 'interpretive' approach, to identify such country-specific features. An example is the study by Hartkamp and Rutjes (2000) of apprenticeship in four countries. In the Netherlands and France apprenticeships are more parallel to upper-secondary education, are less selective and cover a broader range of occupations than in Scotland and (especially) Ireland. In other cases, comparisons may point to different institutional arrangements which perform the analogous function – notably, the different educational mechanisms which produce a vertical differentiation of school leavers, respectively track placement, certification, grades, institution type or school.

4.3.4 Internal differentiation within transition systems

A third limitation of the ‘single continuum’ model, and more generally of the use of dimensions or typologies to classify education systems, is that different parts of the same system may belong at different points on the same dimension or in different categories of the typology. For example, the extent of ‘standardisation’ may vary across different sectors of a system. Allmendinger’s (1989) paper introducing this concept distinguished among the standardisation of primary and secondary schooling, of higher education and of vocational training respectively (although her hypotheses tended to treat standardisation as a system-wide concept). Similarly, the strength of labour-market linkages, or the extent of track differentiation, may vary across the sectors or stages of an education system.

Many researchers have dealt with this problem by focusing on a ‘critical sector’ of education or training which is assumed to define the system as a whole. For example, Germany or Denmark are treated as ‘dual system’ countries and France or Sweden as countries with school-based vocational education. Often this assumption is implicit. Iannelli and Raffe (2000) propose that vocational upper-secondary education is the ‘critical sector’ in this sense and explore the implications of defining a system in terms of the relationships of this sector with other parts of the education system and with the labour market. They hypothesise that these relationships may follow either of two ‘logics’ – one in which vocational upper-secondary education is oriented to higher education and to other parts of the education system, and one in which it is more closely linked to the labour market. They find some evidence to support their hypotheses, but given the data limitations the evidence is not conclusive.

4.3.5 Changes in transition systems

The fourth limitation of the notion of a single explanatory continuum of transition systems is that the characteristics of transition systems themselves are not fixed. For example, even a relatively focused policy change, such as the withdrawal of benefit entitlements from unemployed 16 and 17 year olds in Scotland in 1988, may have a significant effect on the process, and perhaps also the outcomes, of transition. In Ireland, new vocational programmes such as Post-Leaving Certificate (PLC) courses

have had a positive impact on the employment chances of school leavers, in apparent contradiction to the representation of Ireland as an ILM country with weak linkages between education and the labour market, where we would expect vocational education to have relatively poor labour-market returns. Although our research does not reveal the reasons for these programmes' success, it is likely to be related to the provision of occupationally-specific skills within PLC courses and, perhaps, to recent radical changes in the Irish economy and labour market.

As the transition process itself changes, new dimensions of transition systems become important. For example, rising levels of educational participation and the prolongation of the transition period make the family and household structure and the support that they provide to young people in education and seeking employment more critical. Once again, closer examination of Southern European countries may provide theoretical lessons that are of wider relevance.

4.3.5 Overview

The four 'limitations' listed above constitute a challenge, not only to the empirical proposition that a single continuum of transition systems accounts for much of the cross-national variation in transition processes and outcomes, but also to the conceptual and theoretical position underlying that proposition. On the one hand, they challenge the notion of 'dimensions' of transition systems, either because each system has features that are *sui generis* and not reducible to a finite number of general dimensions, or because each system is itself heterogeneous and different stages or sectors may be at very different points along the same dimension. On the other hand, they challenge the notion of transition system as the fixed, independent variable of the analysis. Not only may transition systems change, but they may do so in response to changes in the 'dependent variable', in the transition process itself.

The conceptualisation of transition systems as dimensioned, stable and determining thus contrasts with a societal approach which emphasises the interaction between different parts of the process and the distinctive logic which governs each country's arrangements. Our project has been based on the assumption that both approaches are necessary for a full understanding of transitions.

4.3.6 Policy implications

The main policy implication from our analysis of transition systems is that policies for the transition from education to work must be designed in relation to the particular transition system in which they are to be introduced. Policies which are effective in one type of transition system are not necessarily effective in another. The trend in cross-national policy thinking is moving away from identifying institutions or policies which are expected to be universally effective, towards identifying the key features (or conditions) of effective transition systems. These conditions might be achieved through different policies in different transition systems. Our research endorses this trend, which is reflected (for example) in the final report of the OECD's (2000) Thematic Review on the *Transition from Initial Education to Working Life*.

The implication for policy-makers at EU level, therefore, is that uniformity of policy across the diverse transition systems of the EU is not necessarily desirable. For national policy-makers, it cannot be assumed that policies can be 'borrowed' from other national systems and prove equally effective. To the extent that policy borrowing is ever appropriate, it is most likely to be effective among countries with similar types of transition systems.

This is not to say that countries should never attempt to reform their transition systems, and here the concept of dimensionality may be a guide. Our notion of a 'single continuum' draws attention to the interrelated nature of the dimensions discussed in chapter 3, even if it also signals the need for further research and theoretical development. Some dimensions are more easily changed through policy intervention than others.

4.4 SPECIFIC ISSUES IN THE ANALYSIS OF TRANSITIONS

4.4.1 Educational level and its relationship with exclusion

The level of education attained is a crucial variable shaping individual education-to-work transitions. In numerous analyses, based on both SLS and LFS databases, the

project has established unequivocal evidence for the strong relationship between level of education and core transition outcomes. The higher the individual level of education, the lower the risk of unemployment, the faster initial jobs will be found, which will, in addition, be more stable and in more prestigious occupations and industries, pay a better salary, and offer better opportunities for further training, among other things. Individual investment in education and training pays off and there is little evidence of fundamental differences between European countries, despite some cross-national variation which has been discussed in chapter 3 above. In other words, those leaving the educational system at a very early stage, that is, from lower secondary education or even without properly completing compulsory education, are very likely to face considerable difficulties in the early stages of their careers. And although the project itself has focused on the effects of education in the very first years on the market, it is well-known from other research that such initial difficulties will often continue into later career stages as well (see, for example, Hammer, 1997). The disadvantages faced by those entering the market with relatively little education and training seems a robust and unequivocal finding across all European Union countries over the historical period covered by the project's data sources.

Consequently, concerns for appropriate policy measures have been widespread for a long time, both at the European level and within EU member states. In fact, there are a number of additional project findings which stress the need to maintain strong policy orientations toward the lowest qualified. First, we have produced considerable evidence for a strong macroeconomic component in transition outcomes. Labour market outcomes among those entering the labour market are heavily affected by aggregate economic conditions, much more so than is the case for more experienced workers. Least qualified market entrants are found to be the most vulnerable to cyclical swings in economic activity (see also Blanchflower and Freeman, 2000). Steady economic growth across European countries is likely to mean that transition issues, particularly youth unemployment, will be given less policy attention. However, likely future changes in macroeconomic conditions will have particular implications for young people entering the labour market and will thus raise issues for policy-makers. For this reason, it is crucial that we now take stock of alternative ways

to successfully integrate young people into the labour market and begin to consider potential institutional reform to better achieve such integration.

But are qualifications and skills the answer to this? And if so, which skills? More advanced qualifications or completely different skills, better training or more specialised preparation for working life, reform of initial education and training or expansion of adult and further education systems? Of course, our project cannot claim to be able to provide definite answers to any of these questions. Still, some modest conclusions are defensible. A first and tentative result is an indication that those at the bottom end of educational qualifications are unable to benefit from expanding employment opportunities in modern(ising) sectors of the economy. If this is supported by future research, the implications are highly significant. In fact, this might be a first signal that – despite recent and current reforms updating the curriculum of compulsory education in many countries – the actual skill contents of these tracks may increasingly fall short of the needs of structurally changing labour markets and a stable working life therein (see also McIntosh and Steedman, 1999). Such trends should not be exaggerated prematurely, but if this indication substantiates itself further, then policy action to prevent early school drop-out and foster even increasing – initial and/or second chance – participation in advanced forms of education and training might well be warranted. This is not to imply that EU member states have proven inattentive to the issue in the recent past but to emphasise that providing all young people with an adequate skill basis (including literacy and numeracy) for their working lives is and remains a serious issue, which deserves special attention in the context of rapidly changing economies.

Having said this, it should probably be added that our results leave us quite confident that further educational expansion is not very likely to prove as detrimental to young people's labour market outcomes and returns to educational investments as is often assumed in current research. True, education has the quality of a positional good, so that its value on the market is partly determined by just how exclusive any particular qualification is. In addition, concerns about the incidence of over-education have been most prominent among education and labour market scholars. But according to our empirical results, the net decline, if any, in returns to education has been quite small for most educational groups, despite remarkable expansion of education, notably at

the tertiary level. This is not to say that educational expansion will never result in a devaluing of certain credentials. But apparently, for most of the 1980s and 1990s, such downgrading tendencies have been offset by parallel changes in the structure of labour demand, and young people have been able to benefit from these changes to a considerable degree. Hence, these results seem more consistent with an interpretation that stresses that considerable and productive additional skills are conveyed by more advanced education, which allows individuals to benefit from employment opportunities in the expanding sectors of the labour market, or even contribute to the speed of structural changes in the economy itself. In order to generalise these findings further and to understand the nature of these empirical linkages, further study of the inter-relatedness of educational expansion and labour market changes seems to be warranted.

In general, there can thus be little doubt from our results that increased levels of education give individuals a better start into a more promising working life. If this is correct, then the main policy question becomes: why do some individuals leave the educational system with low and potentially insufficient levels of education, and how might this be remedied in the future? It cannot be claimed that we have treated this question sufficiently within the lifetime of the project, but there are some results which appear relevant to it, which should help to formulate adequate questions in future research. As these are closely linked to the role played by vocational training, they will be discussed below.

4.4.2 Vocational education and entry into working life

Large-scale systems of vocational education have long been considered and utilised as the main means of providing relevant skills to non-academically oriented young people in many countries. In fact, as far as can be told from the data, substantial proportions of those young people not entering academic-bound educational tracks participate in some form of vocational training before entering the labour market or over the initial years after leaving the school system. Given huge variation in institutional arrangements for providing vocational training, it is not surprising that the distribution of young people across various types of training varies considerably across European countries. Institutionally diverse as they are, national systems of

vocational training differ according to the nature of vocational specialisation offered and the number of occupations trained for, the level of entry qualifications required, the dominance of school-based versus dual forms of training which combine formal training and work, the extent and nature of provision for work experience during training, or in the extent and nature of direct or indirect employer involvement in both training design and provision, among others. In addition, the dividing line between vocational training and active labour market policies targeted at young people is often difficult to draw. Some of the more ambitious and long-running training schemes (like those in the United Kingdom) are significant components of the training system and have long ago abandoned the primary objective of providing work experience to unemployed youth.

This cross-national variation in institutional settings provides ample opportunity to assess the effects of different types of vocational education under different contextual conditions and with respect to different aspects of transition outcomes. The main questions to be settled are: What are the effects of completing vocational training in comparison to leaving from more general educational tracks? Does vocational training represent a reasonable educational investment, at least in terms of initial employment returns to it? Or does vocational training imply a risk of diversion by trapping young people in less attractive and menial employment careers, and with less access to higher levels of education subsequently? And are the effects of vocational training (near) universal or are there peculiar institutional features of labour markets which affect the role of vocational training? And coming back to the preceding section, if vocational training does provide labour market advantages, does it seem likely that it represents a sufficiently attractive route to people who would otherwise leave the school system at relatively early stages?

The answer to these questions is first and foremost a question of the standard of comparison. From what we can tell from the project's results, vocational training does facilitate labour market entry and provides access to better employment opportunities than are available to those having left education/training systems with lower qualifications. Compared to young people entering the labour market with more academically-oriented upper secondary qualifications, vocationally qualified leavers, in general, do not achieve substantially different unemployment or employment

outcomes. If anything, apprentices tend to have somewhat lower unemployment rates but also somewhat less favourable employment outcomes. In contrast, labour market outcomes for those leaving school-based vocational training and those from general tracks at upper secondary level are typically quite similar.

These results showing close similarities in labour market effects of vocational training across the set of European economies are quite remarkable in themselves. Leavers from apprenticeships or similar forms of combined work-training contracts have considerable advantages in securing relatively stable employment positions quickly. This relationship apparently holds for programmes as institutionally diverse as those run in countries such as Austria, Denmark, Germany, France, the Netherlands, or the United Kingdom. Such similarity strongly suggests that no particular macro-institutional context is necessary for apprenticeships to work¹; apprenticeships are mainly successful because they provide a sheltered work contract with a particular employer. This design feature is sufficient to generate smoother transition patterns in different market contexts because it opens up the option of continued employment at the training company after completing the training period. It is this feature which is mainly responsible for low unemployment rates among apprentices in the early stages of labour market careers, compared with leavers from both general and vocational tracks within upper secondary education.

Context-independent effects of apprenticeships are also evident in relation to occupational outcomes: we have gained no evidence that apprentices in the more occupationalised contexts of Austria, Denmark, Germany, and the Netherlands have systematically more favourable employment outcomes than apprentices in other European economies. Comparing European countries operating apprenticeship systems, the empirical picture is one of considerable heterogeneity among countries with strong OLMs, rather than any clear-cut contrast between these countries and (for

¹ This does not conflict with findings that installing and maintaining apprenticeship systems is greatly influenced by the current macro-institutional context. It might well be helpful to have strong trade unions, a historical legacy of vocational training, co-ordination among employers and strong employer involvement in training policy for developing feasible apprenticeship tracks, although none of these

example) France, the United Kingdom or Ireland. In fact, the average apprentice in Germany is found to have the most positive occupational outcomes across European countries, while apprenticeships in the Netherlands and Austria have the least positive outcomes. What is at stake here is, of course, not the quality of the programme per se, but the range of occupations being trained for, and notably the reach of the system into the service sector, both of which are considerably larger in Germany than in the two other countries mentioned. Clearly, the nature of occupations trained for becomes closely reflected in subsequent initial employment experiences.

While the effects of vocational training discussed so far have emerged as broadly common to the set of European countries, there are two cases where we have found training effects to differ systematically between countries, and both relate to the effects of school-based vocational training rather than apprenticeship programmes. With respect to both pay levels and unemployment risks, we have found more favourable outcomes for leavers from school-based vocational training in those countries where such training occurs in the context of strong OLMs – notably in the Netherlands, but to a lesser extent also in Austria and Germany. It appears that these qualifications are more explicitly recognised by employers in more occupationalised systems. For policy purposes, this is likely to hold the implication that the full value of any expansion, introduction or change of school-based vocational training in the context of weakly occupationalised systems will only be realised after some time, presumably because employers need relatively more time to become aware of the contents of such training, as well as the reliability, adequacy and relevance of this educational output as compared to systems with already long-established practices of occupationally specific training.

Much of the foregoing discussion suggests that no single institutional panacea exists which uniquely generates successful and smooth pathways into the labour market. Indeed, with respect to many labour market outcomes studied, those for leavers from apprenticeships, school-based vocational training or upper secondary general education are often strikingly similar across European countries. This similarity leads

institutional preconditions for the existence of such systems strongly affects the subsequent nature of its stabilising effects on labour market careers.

us to emphasise the importance of training for successful labour market entry *per se* rather than the institutional nature of training provision: the main determinant of initial career experiences is clearly the level of initial education and training, rather than the type of education. This also suggests that providing training and skills to young people is the key to avoiding transition problems. Thus, providing skills through general or vocational programmes might in fact be seen as alternative and potentially complementary, rather than as antagonistic and mutually exclusive, strategies. The benefits of adopting or further expanding either route of training should very much depend on its contribution to the final levels of training achieved by young people. Before considering the relative merits of general versus vocational education in that respect, one should, however, note one distinctive feature of apprenticeships: even though labour market outcomes among apprentices are unlikely to differ dramatically from those having left other types of upper secondary education in the longer perspective, apprentices are likely to achieve their integration into the labour force with considerably lower levels of initial unemployment as well as fewer and shorter periods of job search. The main feature of apprenticeships which is likely to bring about such favourable initial outcomes is the established relationship with a particular employer and the resulting chances of continued employment after training completion. Training tracks lacking this design feature do not necessarily imply different labour market outcomes by the age of 25, 30 or even 35, but it is likely that individuals will experience more problems in securing stable employment initially. Compared to school-based training, apprenticeships do have a certain safety net effect.

But if, in the long run, different modes of training provision achieve relatively similar labour market outcomes, then there is little to choose between institutional forms of training provision with better or worse outcomes, but rather in terms of their inherent skill formation potential. That is, initial education and training aimed at minimising transition problems would be well advised to devise a mix of general education and apprenticeship or other types of vocational training which maximises individual and cohort skill acquisition. Effectively, there are two main concerns here: training incentives and the diversion effects of vocational training. The first argument favouring the use of vocational training provision would emphasise the potentially lower thresholds to skill acquisition through vocational training, related to, for

example, the more applied nature of the skills trained and the provision of more concrete pathways into the labour market. Hence, vocational training could serve as an effective means to achieve high progression rates beyond compulsory levels of education as those otherwise entering the labour market without any additional training might find a reasonably attractive training alternative. Supportive to this notion are project findings on a positive correlation between the size of a country's vocational training system and the proportion of individuals who progress beyond compulsory levels of education, as well as higher progression rates beyond compulsory education in the Netherlands as compared to other SLS countries.

Contrary to this, the diversion argument stresses the fact that vocational training might inhibit further skill formation. Indeed, even if vocational and general training provide formally equal access to further training, progression rates into post-secondary and tertiary education are typically much lower among leavers from vocational training compared to those among leavers from more general tracks. To some extent, however, this outcome will reflect the different orientations of young people when they enter these tracks: those joining vocational tracks are more likely to plan a relatively early entry to the labour market. On the other hand, young people's orientations about their subsequent career are unlikely to be completely fixed by the age of 16 or 18, and education and training undergone will considerably shape and develop these orientations. In consequence, the more practical orientation of vocational training can be assumed to contribute to narrowed perceptions of, and expectations about, individual career options, which may bring about a diversion of academic effort and potential.

In some sense, vocational training is likely to maintain a Janus-faced appeal, as both incentive and diversion effects are simultaneously apparent in our results (see also Shavit and Müller, 2000). That is, on the one hand, vocational training might contribute to increased training participation among those who would otherwise not continue into upper secondary education. On the other hand, however, young people in vocational training are less likely to further invest in education and training than those in more general tracks. Ultimately, strongly vocationally-oriented systems are thus likely to achieve particularly high levels of intermediate skills. These do have the advantage of providing more adequate skills to that part of a cohort who would not

have progressed beyond compulsory education, but they do constrain further educational achievement among those who would have entered more academic tracks at the upper secondary level otherwise. A satisfactory empirical assessment of both components would seem a particularly important task for future research. In the absence of such research, the above discussion indicates why educational policy priorities differ across different European countries: the main problem in systems with strong OLMs is likely to be overcoming the diversion effects of large-scale systems of vocational training, while policy makers in more general educational systems will be more concerned about achieving higher progression rates into upper secondary or equivalent training.

4.4.3 Equity issues in transitions

Much of the foregoing discussion of school to work transitions has focused on comparing 'average' transitions across different countries and/or institutional systems. However, the pathways taken by different groups of young people within specific national contexts can vary markedly. The extent to which this diversity is structured by gender, ethnic and social differences has been the subject of much debate. Some commentators have argued that individual trajectories from school to the labour market have become more diverse but at the same time less bound by factors such as gender, social background and so on. Analyses from the CATEWE project shed some light on this debate, indicating no general trend towards greater individualisation and revealing the persistence of gender, social background and national origin as important influences on the transition process. However, these differences are found to be constructed in distinct ways in different national contexts and at different periods of time.

Gender

Recent decades have been characterised by considerable educational expansion across Europe, particularly among young women. In many European countries, women in the older cohorts were less likely than men to attain higher level qualifications. Among younger cohorts, this difference has diminished and in many countries female attainment of upper secondary education has surpassed that of men. Similarly, gender differences in the attainment of tertiary education have diminished over time, with

significantly higher attainment levels now evident among females than males in Portugal, Belgium and Finland. Within secondary education, young women tend to outperform their male counterparts in examinations, at least in Ireland, Scotland and Sweden, though not the Netherlands.

The increasing educational participation of young women across Europe has not been accompanied by a significant diminution in gender segregation across different types of educational routes. Young women tend to be less likely to participate in school-based vocational education than young men, and even in systems with high levels of such provision (such as the Netherlands), the nature of participation tends to be strongly differentiated by gender. Participation in apprenticeship training also tends to be disproportionately concentrated among males across European countries. Even in countries with higher female participation in apprenticeships, gender differences persist in the occupational areas to which such apprenticeships are oriented. In addition, within tertiary education women are over-represented in lower level and less prestigious programmes.

What are the implications then of gender differences in educational attainment for labour market transitions among young people? The gender distribution of unemployment varies across European countries with no evidence of an 'average' gender difference across all countries. A commonality across countries is the existence of occupational segregation by gender, although the form taken by this segregation varies cross-nationally. There is tentative evidence that segregation is greater in systems (such as the Netherlands) with greater track differentiation at school level, in part because these tracks tend to channel young people into gendered occupational fields. However, segregation also occurs on entry to the labour market since even young women and men with the same level and type of education tend to end up in very different occupational and industrial niches. On average, young women tend to enter higher status occupations than young men. However, there is tentative evidence that they receive lower returns to their education in terms of status and pay than men.

Given the often diverse pathways taken by young women and men in their transition from education to the labour market, it is clear that any policy interventions cannot

afford to be 'gender-blind'. Furthermore, since the nature of gender differences in education and labour market outcomes varies cross-nationally, policy also needs to be sensitive to the national institutional context. It appears that there is no necessary relationship between the type of education/training system and the extent of gender differences in educational attainment. There is tentative evidence, however, that countries with higher levels of provision of vocational education (either within school or as part of a 'dual' arrangement) tend to be more successful in promoting educational attainment among young males.

What appears to be common across European countries is that educational and occupational segregation by gender have remained remarkably persistent in the face of the introduction of equal opportunity legislation and positive action programmes. It is evident that information is needed on an on-going basis on both the institutional and the informal factors shaping the interaction between the education and labour market systems as well as on formal gender differences in the transition process.

Social background

Previous research has indicated the persistence of social class inequalities in educational attainment and has suggested that such inequalities are likely to be greater in systems with earlier selection into different educational tracks (Shavit and Blossfeld, 1993; Müller and Shavit, 1998). As such, social class background is likely to have at least an indirect effect on the transition process. In general, there is very little systematic comparative data on social class background and its relationship with educational and labour market outcomes (OECD, 2000). The Labour Force Survey does not collect such information and some national transition surveys lack comparable data on this measure. Analyses for a limited range of countries indicate the persistence of the relationship between family background and educational attainment, with those from working-class backgrounds disproportionately over-represented among the least qualified. Social class background is also associated with entry to further education, employment chances and job quality, even controlling for prior educational qualifications. It is recommended that information on socio-economic background be collected on an on-going basis for a wider range of countries in order to explore the relationship between social class background, educational outcomes and labour market integration.

National origin

Ethnicity and national origin have been neglected areas in comparative transitions research, in part because of the absence of systematic data on the topic. Data on the national origins of young people were available from the French and Swedish longitudinal surveys. Analyses of these data are highly revealing of the significant role of national origins in structuring the transition process. Those born abroad and those with two parents born abroad are at a disadvantage in terms of educational attainment compared with native-born young people. This disadvantage is more evident in France which has a more selective educational system. Differences are also evident in early labour market outcomes with higher unemployment risks among immigrant youth, even controlling for education. Direct labour market disadvantage is more evident in Sweden where education plays a less clear-cut signalling role than in the French context. It is interesting to note that the way in which differences by national origin are constructed varies across countries; in France, the group experiencing greatest disadvantage are young people of North African origin while in the Swedish case this comprises those of Asian (Turkish) Latin American and other African origin.

The relevance of ethnic/national differentiation to transitions may vary across European countries. However, it is clear that information is needed on national origins in order to explore relative disadvantage in different educational and labour market contexts. Such data need to reflect the national context, exploring the ethnic/national distinctions which are most appropriate in that context.

In general, greater attention should be given to the development of equity measures in education and transition outcomes which are at the same time comparable across countries and sensitive to the realities of the national context. In addition to social class and ethnicity, other potential sources of differentiation in young people's pathways should be explored. For example, there has been almost no attention given to the transition process experienced by young people with disabilities.

4.5 DATA ISSUES AND RECOMMENDATIONS

The experience of the CATEWE project has highlighted gaps in existing transition research, the strengths and weaknesses of existing data on the topic and issues to be considered in further work.

4.5.1 Areas for further research

Four main gaps are evident in existing research. In the first place, comparatively little is known about employer strategies in the labour market, particularly as they impact on young people. At present, researchers tend to make inferences about employer preferences and practices on the basis of the actual pattern of employment and unemployment rather than from direct evidence. Little is known about the factors which underlie employers' recruitment decisions or the implications of changing employment practices for the hiring (or firing) of young people. In the face of changing educational and training provision, employers' use and perceptions of educational 'output' has been given little attention. This area of research is likely to prove particularly fruitful in assessing the likely impact of educational reforms and changing employment practices.

Secondly, research on the actual transitions made by young people needs to be complemented by studies of the ways in which young people experience this process. What factors shape young people's decisions about the routes they take within and beyond the educational system? What are their goals and expectations? Do terms such as 'over-education' have real meaning in the lives of young people? How does young people's experience of paid work shape their family and interpersonal relationships, and vice versa? Although there have been several research studies of such issues, relatively few have been cross-national and comparative (e.g. Evans and Heinz, 1996; Heinz, 1999). Such studies are crucial to an adequate understanding of (changes in) transition processes across Europe, and they need to be linked theoretically and empirically to the study of more 'objective' transition patterns exemplified by this project.

A third area of research relates to policy interventions. A considerable body of research focuses on the impact of such interventions, particularly on State training or employment schemes; this research has sparked a good deal of debate about the appropriate way to measure the net effect of such intervention programmes. However, little attention has been given to developing a broader framework for considering policy interventions and how their role may vary across different contexts. Do interventions target different groups of young people in different countries? How do they relate to 'regular' employment and to the initial educational system? Are there 'trade-offs' between different forms of policy intervention? An understanding of these relationships is crucial to the development of appropriate interventions in different institutional contexts.

Fourthly, research has tended to focus on *national* variation in the school to work transition process with the consequent neglect of an exploration of regional and/or local differences. However, labour market conditions are likely to vary from one area to another as is the supply of (certain types of) education and training. The extent to which such variation is significant is also likely to relate to national-level differences, for example, in the extent of decentralisation of policy-making. An exploration of regional differences would, therefore, represent a significant contribution to our understanding of the transition process.

In addition, further research is needed on the impact of field of education on transition outcomes and on the interrelationship between initial education/training and access to life-long learning.

4.5.2 Data issues

The experience of carrying out analyses as part of the CATEWE project highlighted the strengths and weaknesses of existing data on transitions.

Analysis of the European Community Labour Force Survey yields considerable insight into the process of labour market integration across the entire spectrum of European countries. However, the absence of 'flow' data and problems concerning the comparability of education and training variables and of labour market status were

highlighted (Couppié and Mansuy, 1999a; 1999b). It is recommended that the use of the ECLFS for transitions research could be enhanced through: the provision of more extensive documentation on the database (covering national procedures for variable generation, greater details on sampling and so on), more extensive access to the database for scientific research and improving the comparability of measures over time (Gangl and Müller, 1999). It is felt that the recent module on transitions has great potential for cross-national research on transitions. It is recommended that such a module be included in the Labour Force Survey on a regular basis in the future. Attention should also be given to collecting more detailed information on the transition sequence, the experience of multiple statuses (e.g. education and work), participation in training and employment schemes, and social background information (Raffe, 2000).

Existing national transition surveys were found to vary significantly in their sample design, purpose, content and timing. As a result, full harmonisation is felt to be unrealistic and may actually be counter to the (national) purpose for which the surveys are designed (Raffe, 2000). However, it is recommended that existing and future surveys should draw on an agreed set of criteria to achieve partial harmonisation. Surveys should aim to cover: variables which reflect equity issues (such as social background and ethnicity), pathways through education, training and within the labour market, family/household transitions, measures of dual status (e.g. combining education and work), distinct measures of inactivity, time-related measures, reference transition events and common classifications for education, occupation and social background (Raffe, 2000). In terms of a European-wide survey, it is considered that a prospective age cohort design would have considerable advantages in capturing different stages of the transition process and being sensitive to cross-national differences in the timing and sequencing of such transitions. While a tailor-made survey along these lines would be the ideal, the planned longitudinal element of the PISA survey could be used to provide comparable information on the transition from school to the labour market.