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**A Comparative Analysis of  
Transitions from Education to Work in Europe (CATEWE):  
Final Report**

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## ABSTRACT

The two main aims of the CATEWE project were to develop a more comprehensive conceptual framework of school to work transitions in different national contexts, and apply this framework to the empirical analysis of transition processes across European countries. The project drew on two complementary data sources for these analyses: the European Community Labour Force Survey, and integrated databases based on national school leavers' surveys in France, Ireland, the Netherlands, Scotland and Sweden.

Transition processes and outcomes were found to vary significantly across European countries. Three broad types of national system were identified: countries with extensive vocational training systems at upper secondary level, linked to occupational labour markets (such as Germany and the Netherlands); countries with more general educational systems with weaker institutionalised linkages to the labour market (such as Ireland); and Southern European countries with less vocational specialisation and lower overall attainment than the other groups. Each of these groups had distinctive patterns of labour market integration among young people. In 'vocational' systems, young people tend to make a smoother transition into the labour market while those in Southern European countries find it more difficult to achieve a stable employment position.

Across European countries, educational level is highly predictive of transition outcomes; those with lower levels of education have higher unemployment risks and greater chances of entering low-skilled, lower status and/or temporary jobs. Those who have taken part in vocational education/training (especially apprenticeships) tend to have a smoother transition to their first job and achieve more stable employment. Other dimensions of education are also significant with examination grades having a greater effect in more general education systems. Transition outcomes are found to vary by gender, social class background and

national origin. There is no evidence that such differences have become less important in shaping the transition process over time.

Given the diversity in education, training and labour market systems across Europe, the same policy interventions are unlikely to be equally effective in different contexts. However, early educational failure has serious negative consequences for young people across all systems. There is a need, therefore, for policy intervention to reduce such failure and/or to provide alternative routes to skill acquisition for young people. There is also a need to monitor differences among groups of young people in terms of gender, social class and ethnicity and pursue policies to address these inequalities.

The project highlighted a number of areas which should be prioritised in future research: the role of field of education/training in transitions, employer recruitment strategies in relation to young people; young people's own views of the transition process; the role of policy interventions (especially youth programmes); and regional/local differences in educational and transition outcomes. It is recommended that a European-wide survey should be initiated, covering young people from around the age of fifteen and following them over a ten-year period. In the absence of such a survey, we recommend that the Commission should encourage agreement on a 'best practice' template to facilitate the partial harmonisation of existing transition surveys, and use of, and access to, the transitions module of the Labour Force Survey should be enhanced.

## **CHAPTER 2: BACKGROUND AND OBJECTIVES**

### **2.1 RATIONALE FOR THE PROJECT**

In recent decades, European countries have experienced significant growth in the educational qualifications of labour market entrants. At the same time, occupational structures and employment practices have undergone considerable change across Europe. Such changes highlight the necessity of understanding the relationship between the education/training system and labour market changes in different national contexts. In particular, the persistence of youth unemployment in many European countries means that attention should be given to the period of early labour market integration. It is also important that the transition from education to the labour market should be examined in comparative perspective. The diversity of institutional arrangements across EU member states means that we cannot assume that policy interventions will operate in the same way in different contexts. Instead, we need to identify the important dimensions of national education, training and labour market systems in order to formulate effective policy in this regard.

A number of researchers have examined institutional variation in education, training and labour market systems, proposing that the nature of the relationship between these elements is societally specific (see, for example, Maurice *et al.*, 1986). While such work has improved our understanding of the transition process, empirical research has proved rather limited and narrowly focused. Cross-national studies have tended to focus only on two or three countries, running the risk of generalising to very different institutional contexts on the basis of a limited number of 'core' European countries (usually Germany, France and/or Britain). Measures of education and labour market outcomes have often obscured very real differences between systems and many crucial dimensions of the transition process have been ignored. The CATEWE project set out to address this deficit by developing a more adequate and comprehensive conceptual framework for examining the relationship between education, training and labour market systems, and applying this framework to a comparative empirical study of recent developments in several European countries (see Hannan *et al.*, 1999).

## **2.2 BACKGROUND TO THE PROJECT**

The project developed out of the experiences of project partners in participating in the European Network on Transitions in Youth. This Network was established in 1992, drawing together researchers who had considerable experience in conducting and analysing national transition surveys as well as researchers who had used Labour Force Survey data to analyse the relationship between educational and labour market outcomes. Participation in the Network increased awareness of national differences in transition processes as well as of the kind of information available to study transitions and stimulated a number of small (usually two-country) comparative studies<sup>1</sup>. It quickly became clear that it was necessary to expand the range of countries considered in order to capture the most important dimensions of institutional variation.

Discussions around this topic led to the preparation of a paper for the OECD, which was then preparing a Thematic Review of the Transition from Initial Education to Working Life, outlining a preliminary framework for analysing institutional differences in school to work

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<sup>1</sup> Proceedings of the European Network on Transitions in Youth annual workshops have been published in CEDEFOP (1994), ESRI, Combat Poverty Agency (1998), Raffe *et al.* (1999), and Hammer (2000).

transitions (Hannan, Raffe, Smyth, 1997), and to the formulation of a research project funded under the Leonardo project. This project drew on national transition surveys to focus on the experience of 'lower level leavers' (those leaving school without upper secondary certification) in four countries: France, Ireland, the Netherlands and Scotland (see Hannan, Smyth *et al.*, 1998). The experience of attempting to develop an integrated cross-national database highlighted the potential, as well as the difficulties, involved in such an exercise. It also became clear that an adequate analysis of institutional diversity would need to take account of a broader range of national systems. As a result, the CATEWE project aimed to draw on two complementary sources of data: the Eurostat Labour Force Survey and national school leavers' surveys.

## 2.3 PROJECT OBJECTIVES

The original objectives of the project were:

1. To develop a more adequate and comprehensive conceptual framework, drawing on existing research and new analyses, of:
  - the nature of national systems of initial education and vocational training in European societies, with particular reference to their degree of differentiation and standardisation as well as to the relationship between general and vocational education in each system;
  - the factors and processes affecting variation in the full range of education/ training outcomes by different groups of young people in each system;
  - the processes of transition from initial education/training to work, the main outcomes of such transitions and pathways, and the main factors affecting success and failure in such transitions in each system;
  - the impact of national institutional differences on education/ training outcomes and transition processes among young people.
2. Using this conceptual framework, to construct an integrated cross-national data set using national school leavers' surveys for France, Ireland, the Netherlands and Scotland (UK), countries with widely varying education/training systems and labour market structures. Strenuous efforts were to be made to incorporate other countries who had conducted, or were planning to conduct, school leavers' surveys.
3. To analyse education to work transitions across all European countries using the Labour Force Surveys, placing the four country analysis of school leaver transitions (2) in the context of the wider European context.
4. Using these comprehensive datasets,
  - To test and refine the conceptual framework (1) and associated hypotheses; and to develop a more adequate and comprehensive framework to study school to work transitions across all European countries;
  - To explore national similarities and differences in ET systems and their outcomes, at an aggregate level and for different groups of young people; and the way in which national differences in these respects are influenced by institutional factors;

- To identify the main factors influencing success or failure in ET outcomes and labour market integration in each system; and attempt to explain similarities and differences in these patterns across the different national systems.
5. To develop proposals to harmonise existing school leavers' surveys in the participating countries; and encourage the extension of comparative transition surveys to other European countries currently planning surveys of school leavers.

It was intended that analyses should be framed in terms of five key research questions:

- What is the nature and extent of similarities and differences in education/training systems within the EU countries studied, and in the associated type and level of education and training achieved by educational system leavers entering the labour market?
- What is the relationship between differences in education/training outcomes and the social background characteristics of system leavers (in terms of gender, social class and ethnic origin)? And do such differences vary systematically across national systems?
- How do transition processes vary systematically across countries (in terms of their length, complexity etc.)? And to what extent are these differences related to differences in education, training and labour market structures?
- What is the nature and extent of the relationship between level and type of educational achievements among system leavers and (the success of) their transition processes and outcomes? How do these relationships vary by type of system?
- What is the relationship between social background characteristics and labour market outcomes? To what extent is this relationship mediated by education, and does this vary by type of system?

The following section outlines how these objectives were met, and research questions addressed, during the course of the project. However, the objectives themselves became subject to review and development over the course of the project. Firstly, it became clear that, at least in terms of national transition survey data, information was available only on a limited range of European countries. As a result, an attempt was made to broaden the scope of countries included. Information from a Swedish cohort study was incorporated into the school leavers' database(s) and links were forged with two countries (Belgium (Flanders) and Portugal) who were initiating transition surveys. Furthermore, analyses of the Labour Force



Survey data indicated the distinctive character of institutional and market systems in Southern Europe. For this reason, analyses of microdata for Italy and Spain were conducted in order to further explore the source of such variation. Secondly, the construction of an integrated database using school leavers' survey data revealed the rich potential of this data source. As a result, four separate integrated datasets were constructed, allowing us to examine cross-national differences at one point in time, over the 1980s and 1990s, and five years after leaving school. Further details on the development of the project are presented in the remainder of the report.

## **CHAPTER 3:**

### **SCIENTIFIC DESCRIPTION OF PROJECT RESULTS AND METHODOLOGY**

#### **3.1 INTRODUCTION**

In this chapter we describe the main activities of the project and summarise its findings. We start, in section 3.2, by outlining the project's conceptual framework, paying most attention to dimensions of variation in national 'transition systems'. In section 3.3 we then contrast different approaches to comparative research, and describe the core strategy of the project which involves what we describe as relatively 'intensive' comparisons between countries. The project took advantage of the complementary opportunities provided by its two main data sources, the Eurostat Labour Force Survey (EULFS) and national School Leavers' Surveys (SLS), and these are described in the following three sections. In section 3.4 we discuss the relative strengths and weaknesses of these two data sources. In section 3.5 we summarise our work on the EULFS, presenting our findings in terms of four main themes. In section 3.6 we similarly summarise our work on school-leaver surveys. Finally, in section 3.7 we describe the project's work on new data-collection: its support for new transition surveys in two European countries and the development of proposals for future comparative data on transition, but on this and other issues we save our main recommendations for chapter 4.

#### **3.2 CONCEPTUAL FRAMEWORK**

The research questions outlined in the previous chapter can be summarised as a single general question: "How do national transition systems shape transition processes and outcomes?" To answer this question we needed concepts of transition system, and of the dimensions of

variation in national systems; and we needed an understanding of the main transition processes and outcomes.

The project's first report was submitted in summer 1998 and published as a Working Paper in the following year (Hannan *et al.*, 1999). It presented the project's initial conceptual framework, which was to inform the construction of datasets and the analysis of data. The framework built on previous research, including the review by Hannan, Raffe and Smyth (1997) described in chapter 2, and on country studies which summarised existing research on education-to-work transitions in France, Germany, Ireland, The Netherlands, Portugal and Scotland. The country studies were published at the same time, together with an analysis of the changing economic and demographic context of transition.

The report stressed that the conceptual framework was an initial statement, for subsequent review and refinement, and it continued to develop during the life of the project. In the presentation that follows we focus on the conceptual framework as we used it in our work. We take the initial framework, presented in our first report, as the starting point and outline the main lines of development, giving most emphasis to features which proved important in our empirical analyses.

The initial conceptual framework identified three elements (or groups of dimensions) in cross-national comparisons of transition:

- the demographic, economic and labour-market context within which transitions occur;
- the dimensions of the education/training system;
- the nature of transition processes and outcomes.

As the project developed we found it useful to combine parts of the first two elements to develop the concept of 'transition system'. This embraced the main independent variables of our analyses: the macro-level 'determinants' of transition patterns. The third element of our framework provided the main dependent variables, the processes and outcomes of transitions at the micro level. The concept of 'transition system' describes the relatively enduring features of a country's institutional and structural arrangements which shaped transition processes and outcomes. Our work paralleled that of the OECD's Thematic Review of the Transition from Initial Education to Working Life in developing understandings of transition systems (OECD, 2000). The paper by Hannan *et al.* (1997) was written for the OECD Review, and members of the project and the OECD had a joint meeting in 1998.

### **3.2.1 Dimensions of transition systems and their contexts**

With respect to the demographic, economic and labour-market context (the first of the three elements listed above), the report identified the following key dimensions:

- the ratio of young people to adults, both in the population as a whole and in the labour force, including the effect of migration;
- the nature and resources of the family system, and how this provides opportunities or encouragement to young people to stay at home or to set up independent households;
- the nature of economic development: this embraces the distinction between the economic core and periphery of Europe, and variations in the structure and ownership of firms;
- the stage in the economic cycle;
- the industrial and occupational structure of employment;
- the nature of labour-market segmentation within a country, with particular reference to the relative importance of occupational labour markets (OLMs), internal labour markets (ILMs) and external labour markets (ELMs). These distinctions are complex and countries constitute varying mixtures of all three types;
- the size and nature of the informal economy;
- the extent of regulation of the labour market;
- the age structuring of the labour force: that is, the extent of segregation between youth and adult labour markets; and
- the gender and ethnic structuring of the labour force, and the strength of segregation associated with these traits.

The project focused especially on the dimensions of labour-market structure, including the nature of segmentation (the OLM/ILM distinction) and the extent of regulation. Together with features of education and training systems, described below, these were the main elements of the concept of transition system as it was employed in the project's analyses. The ILM/OLM distinction is central to a variety of distinct but related theoretical approaches, including Maurice, Sellier and Silvestre's (1986) distinction between qualification space and organisational space, Marsden's (1986) analysis of labour-market segmentation and Garonna and Ryan's (1991) analysis of modes of inclusion and exclusion in youth labour markets.

Many of the dimensions listed above are of interest more on account of their variation over time, than of their variation between countries. For example, transition processes and outcomes are influenced by the stage of the economic cycle and by trends in the occupational or industrial structure of employment.

With respect to the second element, the dimensions of education and training systems, the project's first report identified the following dimensions or sets of dimensions:

- standardisation: the extent to which curricula, assessment and certification, and related quality assurance procedures, are standardised on a national or regional basis. Standardisation may vary across different parts of the same system: for example vocational qualifications may be more standardised than general qualifications, or vice versa. However the project made less use of the concept of standardisation in its empirical analyses, partly because of the limited variation across European countries;
- differentiation: the extent and manner in which a system differentiates its students. The initial conceptual framework noted that this might differ between stages of education within the same system. It further distinguished three types of differentiation, which respectively concerned
  - ◆ institutions or programmes within a stage,
  - ◆ progression into the next stage, and
  - ◆ outcomes at the end of a stage, especially the level of attainment or grades achieved.

The project's empirical analyses confirm the multi-dimensional nature of differentiation, but do not settle on a single way to represent these dimensions. Many analyses work with a simpler concept of track differentiation, which broadly corresponds to the first two types of differentiation listed above, as applied to 'lower' and 'upper' secondary education and the relation between them. However some systems with relatively low levels of track differentiation, such as Ireland or Scotland, may have strong vertical differentiation with respect to attainment at the end of each stage, so the project sometimes found it useful to distinguish outcome differentiation (attainment at the end of a stage) from track differentiation;

- school-to-work linkages: the role of employers in the education/training system. At one pole are systems where employers are direct providers of education/training, for example through apprenticeship. Other systems (such as the Netherlands) have collinear

relationships, with employers making an important institutionalised input into school-based vocational education. A third category (such as Japan) comprises systems where employers have links with schools for recruitment. At the other pole are systems where employers have little direct involvement in any of the senses described above. These comprise two sub-categories: systems in which recruitment decisions are substantially based on individuals' educational attainments, which therefore send out strong market signals to education; and systems where this does not happen and market signals are weak. Different types of linkage may be found in different sectors of the same education and training system, but there is cross-national variation in the linkages that are characteristic of equivalent sectors;

- youth training: arrangements for youth training, and work-based provision more generally, vary with respect to the level of provision, the degree to which it is differentiated (including between apprenticeship and other programmes) and the formal inclusiveness of provision;
- in addition, several CATEWE analyses have examined the level of participation and/or attainment in education, with particular reference to the relative scale of lower-secondary, upper-secondary and tertiary education, or their ISCED equivalents.

These dimensions are neither logically nor empirically independent of each other. We discuss their interconnections in the next section.

### **3.2.2 Classifying transition systems**

The project's first report drew on the country studies to produce a provisional classification of European countries in terms of the dimensions of the conceptual framework (Hannan *et al.*, 1999, Figure A.1). This classification is detailed and we do not reproduce it here, but it draws attention to the importance of variation within each system with respect to many of the dimensions examined. For example, features such as standardisation, differentiation or linkages with the labour market may vary between different educational tracks, as well as between different stages of education, within the same system. However this classification was too detailed to form the main basis of the project's empirical comparisons, and it was necessary to develop a simpler classification with which to work.

When countries are classified according to a matrix which combines many of these dimensions (see Figure 3.1) they form a broad continuum, from countries with high levels of standardisation, strong track differentiation, strong linkages and significant apprenticeship systems, to countries with weaker track differentiation (but often strong vertical ‘outcome’ differentiation), weak linkages and in some cases extensive youth programmes. This continuum is also associated with some of the labour-market dimensions discussed above, and especially with the distinction between OLMs and ILMs. OLM countries tend to have standardised, track-differentiated education systems, strong linkages and high levels of apprenticeship, and they therefore appear at the former end of the continuum of transition systems described above.

Of the countries covered by the CATEWE country studies, Germany followed by the Netherlands is at one end of the continuum with strong OLMs, track differentiation and linkages, while the others (France, Ireland, Portugal and Scotland) are towards the latter end but in the category with strong market signals from the labour market to education. All are relatively standardised. However the project’s first report acknowledged that the distinctive features of the transition system of Portugal, as well as other southern European countries, were not fully captured by this framework, and identified this as an area for further study. In addition, a study would need to include non-European countries, such as the United States and Japan, in order to cover the full range of variation in transition systems expressed by the conceptual framework.

Another important dimension of variation in national labour markets, the strength of labour-market regulation or flexibility, partly cuts across this continuum. The report suggested that this could be measured by the extent of state regulation of employment standards and employment protection, and by the extent of corporate coverage of trade union/employer relationships, although later studies refined these criteria. The strength of labour-market regulation differentiates among the large block of ‘loosely coupled’ countries with strong labour market signals. Of the main countries studied by the project, Scotland and (to a lesser extent) Ireland have weaker regulation than the others.

Different CATEWE analyses emphasise different dimensions of variation in transition systems. This depends partly on their theoretical starting point, and partly on the data source and the opportunities that it provides. Analyses of EULFS data tend to focus on dimensions of

labour-market variation, in particular the ILM/OLM distinction, rather than on variation in education and training systems. The EULFS provides good labour-market outcome measures with which to test the ILM/OLM distinction and to derive empirically-based clusters of countries. The EULFS analyses also distinguished countries in terms of the strength of labour-market regulation, and time-varying features of transition systems or their contexts such as levels of educational participation, occupational composition and economic activity. Conversely, analyses of SLS data tend to focus on the dimensions of variation in education and training systems. The main dimensions of transition systems investigated by SLS analyses are track differentiation, linkages and the role of work-based provision.

A theoretical challenge in the analysis of transition systems is to clarify the connection between their educational and labour market dimensions. For example, is the connection between dual systems and OLMs a necessary connection, explicable in terms of the theoretical frameworks used to analyse labour markets and education systems, or is it merely a product of contingent historical circumstances? However these connections could not be fully explored during the project, partly because of the different emphases of the two main data sources, and further analysis, perhaps using different data, is required.

**Figure 3.1: A typology of ET systems and labour market linkages**

School-Work Linkage	Degree of Standardisation of ET System	
	High	Low
	Degree of Differentiation (and Vocat./Occupat. Specificity) of ET Systems	
	High ← → Low	High ← → Low
<p>(a)Tightly coupled ET/employer systems: strong linkage (dual system) Substantial sharing and co-operation between providers and employers in delivery of ET. As in apprenticeships. High occupationalisation of LM</p>	<p>Germany Austria Switzerland Denmark</p>	
<p>(b) Tightly coupled ET/employer systems: collinear linkage: High levels of in-school provision of ET specific to particular occupations, agreed with employers. High occupationalisation of LM.</p>	<p>Netherlands</p>	
<p>(c)Loosely coupled or decoupled ET/employer systems, but with strong market signals: Low degree of ET provider and employer sharing of ET provision; low occupationalisation of LM, and limited school involvement in employment decisions.</p>	<p>England/Wales Scotland Italy France Portugal Finland Sweden Ireland</p>	
<p>(d)Loosely coupled systems, but with strong market signals and strong school placement function</p>	<p>Japan</p>	
<p>(e)De-coupled ET/LM systems with weak market signals (from second level).</p>		<p>USA Canada</p>

### 3.2.3 Transition processes and outcomes



With respect to the main dependent variables of the analysis, transition processes and outcomes, the project's first report notes that the process of transition has changed in most countries, involving a longer and more complex sequence of transitions and a larger number of intermediate statuses between education and a 'stable' status in the labour market. There is a debate about the extent to which youth transitions have become more individualised and whether this has affected the nature or importance of social and gender inequalities. Important features of the transition process include:

- the number of separate transitions which comprise a 'completed' transition from education to work for an individual;
- the length of the period over which these transitions take place;
- the extent of differentiation between transition statuses (for example, the extent to which apprenticeships are distinct from other work-based training, and the extent and the nature of 'dual statuses' such as combinations of work and education);
- the nature of trajectories: particularly the ways in which education, training, qualification outcomes and employment/unemployment are interrelated (for example, the phasing of education/training and employment status changes, the possibility of 'reversals' and 'bridging loops' back to education/training from the labour market, and the extent of education/training involvement leading to qualifications);
- inequalities in respect of gender, social class and ethnicity; and relatedly,
- the extent of individualisation, in the sense either of a growth in the number and complexity of transitions, or a reduction in the correlation between transition processes and background characteristics such as gender and social class.

The concept of transition outcome, and especially the definition of a successful transition, are problematic. In many studies the available data make it necessary to define outcomes in terms of 'snapshots' at a given point in the transition process, for example one year or five years after leaving school. The main 'snapshot' outcomes of concern to this study are: principal economic activity; occupational status; industrial allocation; labour market segment; wages; security of employment; access to on-the-job training; access to off-the-job training sponsored by employers; content congruence, that is, matching between type of education and type of occupation; 'level congruence', or the extent of matching between level of education and occupational status. However comparisons based on snapshot measures are sensitive to the time at which they are measured. The difference in outcomes between young people from

different countries may be very different one year after leaving school but may become more similar a few years later. More fundamentally, any comparison based on a single measure is problematic in the context of cross-national differences in the length of the transition process, in the characteristic sequence of transitions and in the blurring between statuses. Other outcome measures try to capture aspects of the transition sequence, for example time to first job, percentage of time unemployed, job and career mobility, frequency of job changes or loss of employment; others measure more complex ‘trajectories’ of status changes over time. However there is a need for further conceptual development in this area.

Finally, the project’s first report refers to various dimensions of state intervention (in military service requirements, youth programmes, social welfare provision as well as the labour market) in its discussion of transition processes and outcomes, although these more properly belong with the concept of transition system rather than with transition processes and outcomes.

The way in which the project operationalises transition processes and outcomes depends on the opportunities afforded by the data, discussed later in this chapter. Most analyses both of the EULFS and of the SLS use ‘snapshot’ measures of such outcomes as (un)employment or occupational level. The EULFS has insufficient longitudinal data, and the SLS data are insufficiently comparable, to permit much ambition in defining trajectories or other measures of the sequencing of transition statuses. Analyses of both data sources use their potential for correlating transition outcomes with educational background, or with gender and social background.

### **3.2.4 Summary: conceptual framework**

To summarise, the conceptual framework developed in the project:

- uses the concept of transition system to describe the interrelated features of education and training systems, national labour markets and other macro-level determinants of transition processes and outcomes;
- identifies a large number of dimensions of transition systems and of their social, demographic and economic contexts;

- suggests that many of these can be expressed in terms of one overarching dimension, associated with the strength of OLMs, apprenticeship, standardisation, track differentiation and education/labour-market linkages;
- identifies other important dimensions of variation in transition systems, including the strength of labour-market regulation and the ‘vertical’ differentiation of levels of educational achievement or grades;
- acknowledges the need for further theoretical and empirical work on the distinctive features of southern European transition systems;
- acknowledges that the precise connection between the educational and labour-market dimensions of transition systems, and the distinction between a transition system and its socio-economic context, require further analysis; and
- identifies transition processes and outcomes in several ways: in terms of ‘snapshots’ of individuals’ statuses at given time points, classifications of longitudinal transition sequences, the strength of association between education and labour-market outcomes, and social and gender inequalities.

### **3.3 COMPARATIVE RESEARCH STRATEGY**

The project required comparable data on transition processes and outcomes across a sample of countries which represented theoretically significant variation in transition systems. We used two main sources of data: the Eurostat Labour Force Survey, and datasets constructed from national surveys of secondary school leavers in France, Ireland, the Netherlands, Scotland and Sweden. The project aimed to benefit from the complementary strengths of these two sources of data, which we discuss further (together with their respective limitations) in section 3.4.

There are different ways in which researchers may pursue a question such as “How do national transition systems shape transition processes and outcomes?” Figure 3.2, based on Raffe (2001), summarises contrasting strategies of comparative research. At root they reflect the different possible purposes of comparison: do we compare countries in order to identify universal laws or patterns, or in order to elucidate national uniqueness? (Kohn, 1987; Øyen, 1990; Bynner and Chisholm, 1998; Evans, 1999). A universalistic approach aims to ‘replace countries by variables’ (Ragin and Becker, 1992), and to identify a set of laws which not only transcend national differences but also explain them. It would attempt to answer our research

question by reducing differences in national transition systems to a series of dimensions or types, which explain why transition processes and outcomes vary across countries without the need to refer to idiosyncratic national features. By contrast, particularistic research aims to discover the unique logic which governs social processes within each country. Each transition system comprises a unique set of structures, concepts and relationships which defy any attempt to generalise or classify across countries; even phenomena which appear to be general, such as entry to the labour market or the institution of apprenticeship, have different significance in terms of their national logics, and the task of research is to unpick differences between superficially similar concepts. The universalistic strategy typically involves an extensive approach to comparison, which uses large samples of countries in order to distinguish empirically among alternative country-level explanatory variables. The particularistic strategy typically uses a small sample of countries, often just two or three, to make interpretive comparisons, whose main aim is to highlight qualitative differences in concepts and institutions. It is this approach which underlies the view of comparative research as a means to gain a better understanding of one's own country, by exposing taken-for-granted assumptions and opening them to challenge.

**Figure 3.2 Comparative research strategies**

	<i>Universalistic</i>	<i>Intermediate/mixed</i>	<i>Particularistic</i>
Aim	To identify universal laws or patterns	Mixed aims	To elucidate national uniqueness
Method	Replace countries with variables	Use common concepts to describe and classify national logics and analyse differences	Use distinctive concepts to describe and analyse internal logic of each country
Use of comparison	Extensive: large sample of countries to represent variables of theoretical interest	Intensive: use small sample of countries; multiple comparisons provide degrees of freedom	Interpretive: use small number of national contrasts to highlight differences in concepts and institutions

The contrast described above is a matter of emphasis; there are few pure examples of either strategy. Many researchers have adopted an intermediate position (eg Maurice *et al.*, 1986; Kohn, 1987), and so has the CATEWE project. In the middle column of Figure 3.2 we identify an intermediate strategy which may have both universalistic and particularistic purposes, which recognises the existence of distinctive national ‘logics’ but which tries to develop common cross-national concepts to describe them and cross-national theories which at least partially explain them. Its characteristic research approach is the use of intensive comparisons, which test a range of predicted contrasts or similarities across a small number of theoretically sampled countries. The intensive approach compensates for the lack of degrees of freedom at the country level by making multiple comparisons and testing a range of hypotheses arising from the same theoretical starting point. The intensive approach is therefore dependent on detailed comparable data, and on a strong conceptual and theoretical foundation.

Of the two main data sources used by the CATEWE project, only the Eurostat LFS provides a basis for extensive comparisons. It has standardised data on education and labour-market outcomes for all fifteen member states of the European Union, whereas the school-leaver survey data are only available for five countries. However a sample of fifteen countries is still a small sample to be used for extensive comparisons, especially when some countries have to be excluded from particular analyses for reasons of sample size or data availability, although the degrees of freedom can be increased by using data from a sequence of annual surveys. As a result, the EULFS is most effective in the analysis of transition systems when these are conceptualised in terms of a small number of types (such as OLM countries, ILM countries and southern European countries: see 3.5 below) or represented by time-varying variables such as the occupational distribution or level of educational participation. In the CATEWE project, analyses of the EULFS include:

- mainly descriptive comparisons, for example of ‘dual statuses’ which combine education with work, or of trends in educational attainments or labour-market outcomes;
- analyses which distinguish a small number of types of transition systems among EU countries;

- multi-level analyses which use country-level variables (usually including time-varying variables) along with individual variables, such as education, to predict such outcomes as unemployment or the type of employment of recent labour-market entrants.

The second and third of these sometimes correspond to our notion of extensive comparisons. However, many of the analyses more closely resemble intensive comparisons, as they take advantage of the EULFS' rich data across a range of labour-market outcomes in order to make the multiple comparisons more characteristic of the intensive approach. Further analyses use data from national labour force surveys in order to take advantage of the wider range of data and the scope for re-defining variables for more focused and detailed comparisons.

SLS data were available for only five countries, and for many analyses data were available only for a subset of these. The comparative approach in the SLS analyses has been intensive rather than extensive, focusing on multiple comparisons across a range of outcomes. An example is Smyth's (2000a) analysis of the effects of varying levels of differentiation in education systems across a range of indicators of gender inequality - in the level of education, type of education, occupation, income, and so on. The SLS data for many transition processes and outcomes (the dependent variable) are incomplete or insufficiently comparable across countries (see 3.4 below). The school leavers' surveys support some important analyses but their potential for intensive comparisons, which require detailed, comparable data on a range of processes and outcomes, is more limited than we had hoped. On the other hand, the school leavers' surveys have proved unexpectedly valuable for what we have termed interpretive comparisons. The processes of constructing an integrated dataset, and of defining cross-nationally applicable measures of such concepts as the level of education or of educational attainment, raise issues of meaning and equivalence which are commonly overlooked in comparative research. And deeper investigations of concepts and institutions such as apprenticeship, youth programmes and upper-secondary vocational education draw attention to cross-national differences in their organisation and their role in the transition process.

The project's main comparative strategy is thus an intermediate one in terms of Figure 3.2. It uses common concepts to analyse country differences and (at least partly) to explain them, and it relies primarily on an intensive approach which tests multiple hypotheses from a given theoretical starting point on a small sample of countries.

### **3.4 THE DATA SOURCES - THEIR STRENGTHS AND WEAKNESSES**

This section discusses the strengths and weaknesses of the two data sources used in the project. It has been pointed out in section 3.3 that the European Union Labour Force Survey (EULFS) can be used for extensive comparison while the national school leavers' (or transition) surveys are useful for intensive comparison. The data sources differ in other ways which are outlined in Figure 3.3 (see also Raffe, 2000).

**Figure 3.3: Comparison of data sources**

<i>Characteristics</i>	<i>EU Labour Force Survey (up to LFS 1997)</i>	<i>National School Leavers' Surveys</i>
Nature of survey	Cross-sectional (snapshot at one point in time)	Longitudinal (flow out of school)
Data structure	Cross-sectional with only a limited retrospective component	More complete retrospective information on educational and labour force histories; some panel (follow-up) information
Frequency	At least annual	Regularly, though not necessarily annual
Country coverage	All EU countries	France, Ireland, the Netherlands, Scotland and Sweden <sup>2</sup>
Sample coverage	All adults; allows for a comparison of young people and adults	Young people experiencing the transition only
Comparability	Constructed to a comparable framework but process inadequately documented	Not designed to be comparable but useful comparative indicators can be constructed
Form of data	Aggregate only at EU level; micro-data for some individual countries	Individual-level data
Information on educational background	Level and type (general v. vocational)	Level, type, field and grades (for some countries at least)
Information on	Detailed: principal status	Detailed: principal status,

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<sup>2</sup> A number of other regional or sectoral studies were available elsewhere but were not suitable for inclusion in the project given its focus on national systems.



employment position	and nature of job but lack of information on participation in youth programmes or earnings	nature of job, earnings, and participation in youth programmes
Information on social background	Not available	Parental social class, parental education, immigration status (for some countries at least)

Perhaps the key difference is that the EULFS gathers information on a cross-sectional basis collecting data on adults within households at a single point in time. The EULFS, therefore, has little direct information on the transition process itself, but researchers can compare different age groups within the labour force, or compare recent and earlier entrants to the labour market. In contrast, national school leavers' surveys explicitly take account of the transition process by examining the flow out of education into the labour market or further education/training. With school leavers' survey data, one has the advantage of being capable of observing *individual trajectories* over a certain time-period after leaving the educational system. That is, individual labour force histories are directly observed as a sequence of labour force statuses and their associated features. Obviously, this is impossible from LFS data sources, as the necessary information is simply absent. Still, some insights into transition processes can be gained from generating *aggregate career paths* by comparing the distribution of labour market states between individuals having spent different amounts of time on the labour market. The basic difference between using SLS and LFS data for transition research thus lies in the fact that SLS allows us to represent individual transition processes, while LFS sources are restricted to analyses of aggregate (average) patterns only. It must be emphasised, however, that the two data sources yield complementary insights into the transition from school to the labour market. In the remainder of the section, we discuss these characteristics, advantages and shortcomings of the data sources in greater detail.

### 3.4.1 Addressing transition processes from LFS data

The EULFS appears as an attractive database to comparative research for a number of reasons. For each of the fifteen current member states, the LFS provides information based on

large sample sizes, which allow for differentiated results on labour force activity and its determinants, and the surveys are explicitly administered according to a design which is geared towards producing comparable information across countries. In addition, the LFS surveys are repeated at least annually, so that they represent one of the few databases from which current processes of social change can effectively be studied. Last but not least, the LFS in general contains a wealth of information on current labour force activities, employment conditions (occupation, industry, hours, job tenure etc.) and socio-demographic characteristics of respondents. These advantages of the EULFS come at a price, however, at least in a study on school-to-work transitions (cf. the discussion in Céreq, 1997; Couppié and Mansuy, 1999).

The main drawback of the LFS surveys, at least as currently released by Eurostat, is their purely cross-sectional nature at the level of individual respondents. That is, the EULFS by definition does not allow us to follow a dynamic research approach at the micro level which would investigate individual trajectories from education into the labour market. The necessary information is simply not present in the database as the same individuals cannot be followed over time.<sup>3</sup> Still, to a limited extent, retrospective information, on, for example, past employment status, is available from LFS sources. In fact, this information has been used in some analyses (Couppié and Mansuy, 2000a, 2000b), and some results from these will be presented below. On the other hand, it has to be recognised that the analytical value of the retrospective information provided is in itself quite limited: as retrospective measures on potential explanatory covariates are not available, causal analysis of labour market flows is greatly inhibited as it can only be conducted for those characteristics which are (reasonably assumed to be) stable over time. In addition, measurement concepts for labour force statuses are not identical at both time points, so that definitional problems might plague any such analysis. Using EULFS data for transition research for most purposes thus has to represent a conscious decision to restrict one's analytical potential to what is available from cross-sectional data while being able to cover all EU countries in the research. Consequently, the LFS analyses performed within the CATEWE project can be read as an attempt to extract as

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<sup>3</sup> While there are some national LFS studies which actually do, and others which at least in principle would permit us to follow this approach, the harmonised EULFS does not so far allow the identification of members of existing rotating samples across annual survey waves.

much information on youth labour market integration in Europe as possible from this cross-sectional database.

The key to our analyses is to realise that, although it is impossible to observe individual trajectories between education and work in the LFS data, cross-national similarities and differences in macro-level patterns of youth labour market integration can readily be observed from the database. In fact, as information is collected annually, traditional cohort analyses can be performed if information from subsequent surveys is linked accordingly. Müller and Wolbers (1999) applied this technique to address the scope of educational expansion in Europe over the past decades: by combining educational distributions for the same birth cohorts over the historical observation period currently available from the EULFS, they have been able to analytically separate life-cycle patterns of educational attainment from cohort effects on the level of educational attainment. For the purpose of country comparison, this generates a valid picture of educational attainment processes at the macro level, even without the availability of longitudinal data at the individual level and without the imposition of any additional assumptions on the data.

This approach can, in principle, also be applied to the analysis of labour market outcomes for those entering the labour force. On the other hand, analyses based on genuine birth cohorts are unlikely to yield adequate (comparative) representations of labour market entry processes: within any single country, leavers from different educational backgrounds exit the education and training system at different ages. That is, any straightforward differentiation of youth labour market outcomes by age tends to misrepresent the situation of interest as young people of a given age might actually be in very different career stages. A university graduate might have just begun working in her first job at age 27, while somebody who left school after attaining his compulsory education certificate has already been working for 10 years. The issue becomes even more problematic in comparative research, as the precise biographical timing of these transitions varies according to the particular institutional structure of national education and training systems. Moreover, differences in national levels of educational attainment can generate misleading country differences in macro-level indicators of labour market outcomes, totally unrelated to any differences in actual integration processes. For these reasons, most of the project's analyses of labour market outcomes are based on labour force entry cohorts rather than birth cohorts. That is, the incidence of the transition period has been defined *relative to the biographical time point of leaving the education and training*

*system* rather than sheer biological age. In fact, this defines our perspective on the transition period as one on labour market outcomes in the early career stage, after having completed initial education and training. In most analyses, we chose typical graduation ages for different types and levels of education as published in the OECD's *Education at a Glance* series (see, for example, OECD, 1997) as an approximation to the biographical time point of completing a particular type of education in the various European countries, and calculate a measure of potential labour force experience on that basis. For the purposes of the project, we then focus on labour market outcomes among those in their initial years on the labour market, that is, up to five, or in some analyses up to ten or even fifteen years after having obtained their highest educational qualification. In addition, most analyses assume relative stability in the structure of transition processes in the short-run so as to enable the use of synthetic cohort approaches in the statistical analyses. By doing so, we are able to extract the macro level properties of transition patterns for all current EU member states from LFS databases.<sup>4</sup>

Certainly, this still represents a serious limitation with respect to an adequate description of occurring transition processes. It is most discomforting not to be able to describe individual level transition processes because the full extent of individual heterogeneity in transition processes between education and work cannot possibly be uncovered from LFS data. On the other hand, what still can be observed from this database under the chosen set-up, is the average labour market outcomes of young people in their early career stages in all European countries and conditional on education, time since leaving education and training systems, and certain socio-demographic factors. Exploring the incidence of cross-national differences in such *average* transition outcomes is actually a major task in understanding the outcomes of different institutional arrangements regulating school-to-work transitions in Europe which has not been done in a similarly encompassing fashion so far.

Of course, more detailed longitudinal data do allow for more detailed studies of transition processes. In particular, using the LFS implies the restrictive assumption that (a) leaving the education and training system, (b) achieving the highest qualification and (c) entering the labour market all happen at the same time; in other words, that only the most recent of

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<sup>4</sup> Two papers actually used national LFS microdata for some in-depth analyses of particular questions in a more restricted sample of countries (Brauns et al., 1999; Iannelli and Soro Bonmatí, 2000), but the methodological remarks made here apply to these analyses as well.

potentially multiple entries is of substantive importance. As we argue in 3.7 below, this need not be the case: moreover, the relationship between these three events is variable across countries. Nevertheless analyses based on this simplified assumption can provide useful insights into cross-national differences, which are consistent with project research based on school leaver survey data as well as previous research, as the work summarised in section 3.5 below demonstrates.

### **3.4.2 Analysing transition data using national transition surveys**

One of the key objectives of the CATEWE project was to use existing national transition surveys to explore early transition processes among young people in a range of countries. In most of the countries concerned (France, Ireland, the Netherlands and Scotland) these surveys were surveys of 'school-leavers', that is, those exiting secondary education at a particular point in time, although the precise definition of a 'leaver' can vary across countries.<sup>5</sup> However, in the Swedish case, data related to a series of cohort surveys of young people leaving education at various stages. National transition surveys have a number of advantages in exploring educational outcomes and early labour market experiences among young people (see Figure 3.3 and Raffe, 2000). Firstly, they tend to collect detailed information on educational background, incorporating dimensions which are considered important in the particular institutional context. The sensitivity of transition surveys to the national context is an advantage in providing a more complete view of (national variations in) the transition process. Secondly, they allow us to directly relate young people's educational background to their experiences in labour market integration at an individual level. Thirdly, the fact that they are (for the most part) *leavers'* surveys means that we are looking at young people, most of whom entered the labour market at the same time and therefore searched for work and started their careers under the same conditions. Fourthly, such surveys tend to provide rich data on a range of transition 'outcomes' among young people, covering not just principal activity but different dimensions of job quality.

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<sup>5</sup> In the Scottish context, for example, 'leaver' refers to those leaving the general secondary school system with further education regarded as a destination. Countries also vary in their approach to apprentices who are differentially treated as 'leavers' and 'labour market entrants'.

National transition surveys have, however, been largely under-exploited in cross-national analyses. One of the main advances made by the CATEWE project has been, therefore, to use these national transition surveys to construct an integrated database with information on key aspects of young people's educational and labour market experiences. In fact, a total of three databases were constructed as part of the project:

1. A current database. This was based on the most recent year for which school leavers' surveys were available. This database covers:

- France: young people who left general or vocational full-time secondary education (including apprenticeships undertaken as part of initial education, but excluding General Baccalauréat and agricultural courses) in 1993-4 and who did not continue in full-time education;
- Ireland: young people who left secondary school in 1995-6, surveyed in autumn 1997. This includes those who left Junior or Leaving Certificate and Post-Leaving Certificate courses. Other post-secondary vocational courses count as destinations, along with apprenticeships, training schemes and third-level education.
- The Netherlands: young people who left secondary education (including MBO) in 1995-6 and did not enter another form of secondary education. They were surveyed in autumn 1997. In this survey, apprenticeships count as destinations.
- Scotland: young people who left general secondary school in 1993-4, surveyed in spring 1995. Courses in further education colleges, apprenticeships, training schemes and higher education courses count as destinations;
- Sweden: young people who completed lower-secondary (compulsory) education in 1993 and were surveyed in spring 1997.

This database has been used to examine cross-national differences at a very early point in the transition process, one to one and a half years after leaving school.

2. A time-series database. Since no comparable full leavers' survey was available for earlier years for France, it was based on three countries: Ireland (1980-1997; 5 time-points), Scotland (1979-1995; 5 time-points), Netherlands (1989-1997; 3 time-points). This database has been used in order to explore changes in institutional and labour market contexts over time.

3. A longitudinal database. Since the current and time-series databases relate to a very early point in young people's labour market career, this has the advantage of allowing the analysis of longer term transition patterns. Unfortunately, due to lack of data availability,

the construction of a longitudinal database was only possible for Ireland and France, and, for a much more limited set of variables, for France and Sweden.

Constructing the integrated databases was not just a means of conducting substantive analyses on school to work transitions in a number of countries but the process in itself yielded valuable insights into our understanding of institutional variation in education, training and labour market systems. The procedure involved an iterative process, involving the identification of common variables within the national datasets, the development of a 'mapping' from the original, often highly diverse, country-specific variables to a common variable specification and the testing of these new comparative variables (for further details, see CATEWE, 1999). This approach yields a number of advantages over the analysis of transition surveys at a national level (see Brannen, Smyth, 2000; CATEWE, 1999). It allows us to directly test cross-national differences in transition patterns, controlling for a range of other factors. Thus, we examine whether, for example, educational relativities in unemployment differ between Ireland and the Netherlands, all else being equal. More importantly, the construction of comparable variables for countries with very different institutional contexts requires a rigorous clarification of the different dimensions of education and transition outcomes explored in the analyses. Thus, the work served to challenge our pre-existing assumptions about the nature of cross-national variation and contributed to the development of new classificatory schema for analysing different dimensions of the transition process. In particular, the construction of variables specifically for the purposes of the project has meant that we can directly reflect the central research questions we seek to address rather than using pre-existing (and often inappropriate) classification systems. It has also helped to develop a set of multi-dimensional indicators which better reflect the specificities of the different institutional systems.

However, national transition surveys and any integrated database drawing on these surveys do have some limitations. They cannot allow us to compare the experiences of young people with older age-groups or with those who entered the labour market at a much earlier point in time, analyses that can usefully be carried out using the Labour Force Surveys. Thus, it can be difficult to distinguish whether cross-national differences in the employment experiences of young people reflect differences in the labour market structures as a whole or in the relative position of young workers vis-à-vis the adult population. Furthermore, differences between the national surveys in design and content result in difficulties in comparability (see

CATEWE, 1999). These difficulties are as much conceptual as technical since, in the context of significant institutional differences between transition systems, it is impossible to identify a single transition event that has equivalent significance in each system and which can provide the basis for comparison. Finally, such surveys are available only for a (limited) number of countries: France, Ireland, the Netherlands, Scotland and Sweden. Thus, the database does not include any 'dual system' country or any country from Southern Europe, groups of countries which have been found to have distinctive profiles in terms of transition processes (see Müller et al., 1999). The set of countries studied includes one country often grouped with the dual system countries in terms of the predominance of occupational labour market arrangements, the Netherlands; the remainder of the countries, however, come from the group of North-Western European countries usually characterised as 'ILM' (internal labour market) countries (see, for example, Gangl, 1999). This distinction has also been characterised as the difference between systems with an underlying 'employment logic' and those with an 'education logic' (Iannelli and Raffe, 2000). However, the rich data from the national surveys allow us to explore potential heterogeneity among transition systems that may resemble each other in other respects.

In the following sections of the chapter, we highlight the main findings of the analyses using Labour Force Survey and national school leavers' data.

### **3.5 TRANSITIONS FROM EDUCATION TO WORK IN EUROPE – LFS RESULTS**

CATEWE aimed to deliver a genuine European perspective on transitions from education to working life. This promise is not easily fulfilled as adequate longitudinal data from which to study labour market integration processes at the individual level are available for a limited subset of European countries only. Therefore, CATEWE has attempted to complement its analyses based on longitudinal data by analyses drawing on the European Union Labour Force Survey (EULFS). These analyses are first intended to provide a broader picture on patterns of labour market entry across EU countries, including those where longitudinal microdata was unavailable to the project. Analyses of EULFS data provide a unique opportunity to situate results from the analysis of School Leaver Surveys within an even broader European context. But apart from this purpose, the project also attempted to make use of the genuine potential of the EULFS data base for transition research. To do so based on cross-sectional LFS data is certainly less obvious than from a truly longitudinal database, but



we believe that the EULFS sources have some inherent qualities of their own in that respect, which can be fruitfully exploited by proper statistical analysis.

Within the project, ten substantive working papers suitable for later scientific publication have been produced based on LFS data (see Table 3.1 below). Given the available information in LFS sources, most of the papers centre around the education-employment linkage in European countries. Individual papers explore, for example, cross-national similarities and differences in the educational background of young people entering the labour market, as well as the nature and scope of educational expansion over the past decades (Müller and Wolbers, 1999), or the provision of dual forms of vocational training in European countries and their evolution over the last decade (Wolbers, 2000). On the labour market side, there are papers aimed at a broad descriptive overview of labour market outcomes for recent entrants into the labour force (e.g. Couppié and Mansuy, 2000a), which in part also provide country classifications in terms of relatively similar aggregate transition patterns (Couppié and Mansuy, 2000b; Gangl, 2000a). In addition, there is a set of more analytical papers using advanced multivariate statistical techniques for causal analyses of unemployment risks and employment outcomes among labour market entrants in different European countries (van der Velden and Wolbers, 2000; Gangl, 2000b, 2000c). And finally, there are two papers which use more detailed national LFS microdata in order to understand the peculiarities of transition outcomes in Southern Europe (Iannelli and Soro Bonmatí, 2000) and the effects of education on unemployment processes (Brauns et al., 1999).

**Table 3.1**  
**Overview of LFS Working Papers**

<i>Author(s)</i>	<i>Title</i>	<i>Main Topics</i>
Hildegard Brauns, Markus Gangl, and Stefani Scherer (1999)	Education and unemployment: Patterns of labour market entry in France, the United Kingdom, and West Germany.	Role of education for avoiding extensive periods of initial job search and subsequent job instability in three European countries
Thomas Couppié and Michèle Mansuy (2000a)	The Position of New Entrants on European Labour Markets.	Overview of labour market outcomes among recent entrants to European labour markets
Thomas Couppié and Michèle Mansuy (2000b)	New Entrants and experienced workers on European Labour Markets.	Cross-national similarities and differences in various aspects of transition patterns, e.g. dual status situations, unemployment and employment outcomes
Markus Gangl (2000a)	European Perspectives on Labour Market Entry: A Matter of Institutional	Cross-national similarities and differences in the relations between

	Linkages between Training Systems and Labour Markets?	labour force experience, qualifications and unemployment and employment outcomes
Markus Gangl (2000b)	Education and Labour Market Entry across Europe: the Impact of Institutional Arrangements in Training Systems and Labour Markets.	Cross-national similarities and differences in the role of education for unemployment and employment outcomes
Markus Gangl (2000c)	Changing Labour Markets and Early Career Outcomes: Labour Market Entry in Europe over the Past Decade.	Effects of macroeconomic and macro-structural trends on transition outcomes in Europe
Cristina Iannelli and Asunción Soro Bonmatí (2000)	The Transition from School to Work in Southern Europe: The Cases of Italy and Spain	Comparison of the patterns of transition from education to the labour market in Spain and Italy
Walter Müller and Maarten Wolbers (1999)	Educational attainment of young people in the European Union: cross-country variation of trends over time.	Cross-national similarities and differences in educational backgrounds of market entrants in Europe; similarities and differences in the nature of educational expansion
Rolf van der Velden and Maarten Wolbers (2000)	The integration of young people into the labour market within the European Union: the role of institutional settings.	Effects of institutional context factors on unemployment and employment outcomes
Maarten Wolbers (2000)	Learning and working: Double statuses in youth transitions within the European Union.	Cross-national similarities and differences in the incidence of combined training and work activities in Europe

The following represents an attempt to provide a concise summary of the main results from our analyses. Rather than summarising individual papers, this review will be organised along the substantive themes covered, which have been touched upon in one or more of these analyses. More specifically, project results are reviewed for the issues of (a) educational achievement and the nature of qualifications among school leavers in Europe, (b) cross-national similarity and difference among European countries in terms of transition patterns from education to work, (c) the incidence of unemployment among market entrants and the role of educational, institutional, and other contextual determinants, and (d) the nature of employment outcomes in early career stage and their determinants across European countries.

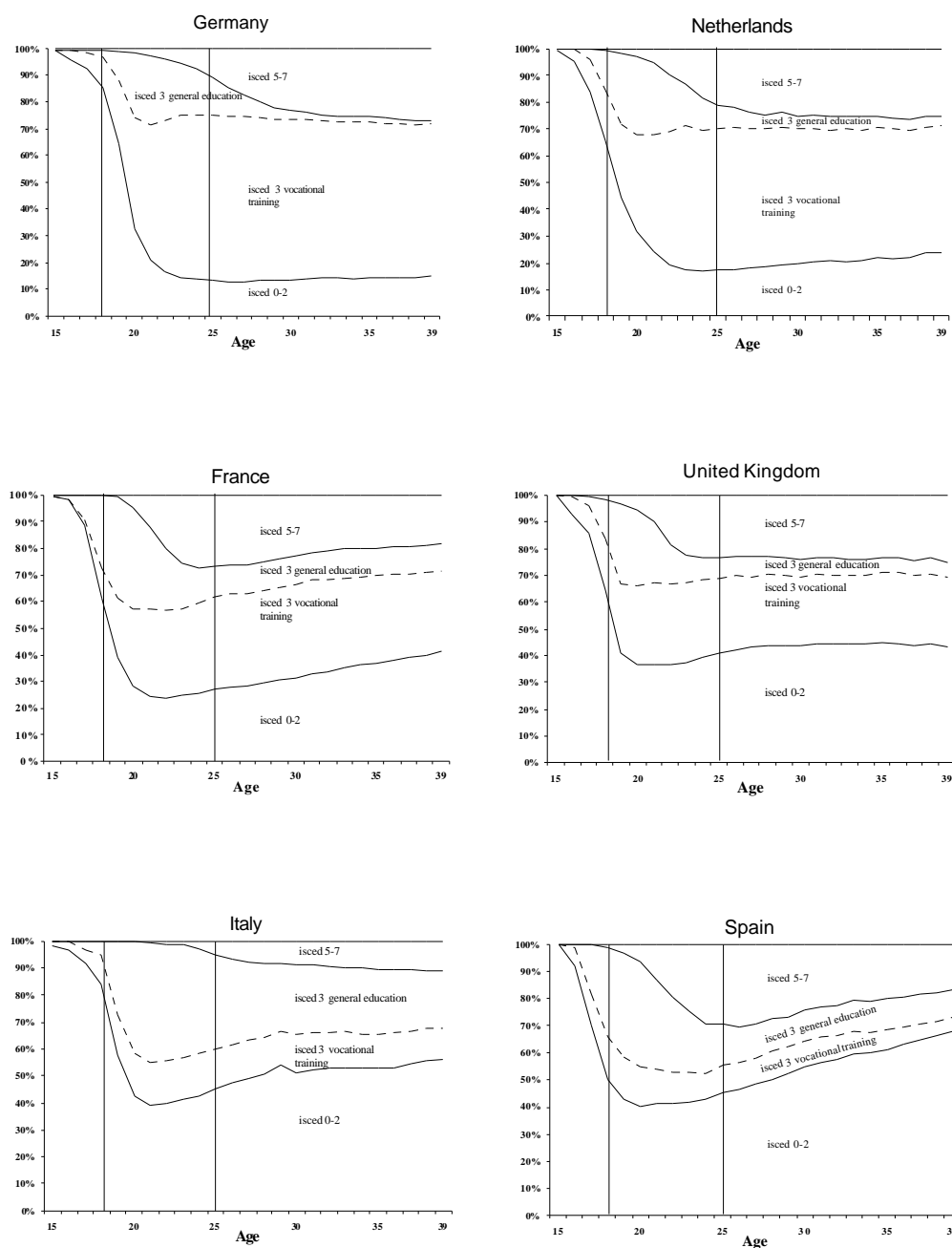
### **3.5.1 Educational achievement and the nature of qualifications across Europe**

In a certain sense, education is the key resource available to individuals to influence their labour market fortunes. Education and training represents an individual investment in qualifications which are afterwards rewarded on the labour market. This general relation already bears on the nature of education-to-work transitions as different types of training might be more or less effective in generating smooth patterns of labour market entry. To the

extent that training systems vary between countries, the different resources institutionally provided to young people can be expected to lead to substantially different transition patterns in different European societies. And indeed, as amply shown in project research (notably Müller and Wolbers, 1999; Wolbers, 2000), the qualificational background of labour market entrants is strikingly different across European Union countries. These differences relate to both the level of educational attainment as well as the nature of qualifications obtained. More specifically, three broad country patterns seem to emerge from our data, which closely reflect the underlying institutional structures in education and training systems (Müller and Wolbers, 1999).

As a first type, there are those Continental countries operating extensive vocational training systems at the upper secondary level, like Austria, Denmark, Germany, and the Netherlands, but also the other Nordic countries Sweden and Finland. In all of these countries, the proportion of young people not progressing beyond compulsory education levels is very low, typically well below 15 per cent of a birth cohort. At the same time, a significant proportion of young people, typically 25 per cent of a cohort and more (with the exception of Austria), obtain tertiary level qualifications. But the most distinctive feature is the fact that almost everybody who left the educational system from the upper secondary level will have obtained occupationally-specific qualifications. Of course, these will mainly have been acquired in the context of dual system arrangements in Austria, Germany, and, to a lesser extent, in Denmark, while the dominant vocational training route will be school-based training in the Netherlands, Sweden and Finland. Compared to these countries, the aggregate pattern of educational attainment is somewhat different in the remaining Northern European countries, though. Broadly speaking, there is little difference between Northern European countries in terms of tertiary level graduation rates. The UK, and more so Ireland, France, and Belgium differ from the former set of countries mainly in the fact that fairly large proportions of upper secondary level leavers enter the market with general rather than vocational qualifications. In addition, the progression beyond compulsory education is significantly lower in these countries than in the other Northern European countries. In fact, Southern Europe constitutes a third empirical pattern, mostly distinguished from countries like the UK or France by the lower level of educational attainment (except Spain), rather than any difference in the vocational-general mix at the upper secondary level. If anything, then Southern European education and training systems provide even less vocationally-specific training than is the case in most Northern European countries. As an illustration to these distinctions, Figure 3.4 below depicts the life-

cycle pattern of educational attainment in six exemplary European countries (Müller and Wolbers, 1999).

*Educational Attainment by Age, Selected European Countries*

Source: Müller and Wolbers, 1999.

In part, these country differences are rapidly changing. As the analyses of Müller and Wolbers (1999) show, the nature and pace of educational expansion has varied significantly between

European countries over the past two decades. Those countries, for example, which previously had the highest proportions of individuals with only compulsory education were also the most successful in reducing these proportions recently, while the Nordic countries or Germany and Austria have been much less able to reduce these figures below the levels already achieved a generation ago. In much the same vein, catching-up processes also occurred at the higher levels of education. Recent educational expansion of tertiary education has been occurring fastest in Southern European countries, notably in Spain and Portugal. Similarly large expansions took place in Ireland, France and the UK, while the respective trends have been much weaker in Austria, Germany and the Nordic countries. In sum, there are considerable trends under way towards converging educational levels among young people in different European countries.

While the levels of educational achievement may actually converge somewhat across European countries, it is much less likely that the more specific nature of initial qualifications provided will actually converge quickly. As has been indicated above, a crucial distinction between European countries is the extent to which education and training systems already provide occupationally-specific training (mostly at the upper secondary level). Most distinctive to systems providing occupationally-specific training are large-scale dual system arrangements as operated in Austria, Germany, but also school-based vocational training in the Netherlands. One might actually argue that these systems are merely an institutionally different solution for providing adequate training to young people. In cases where a dual system exists, training provision is more regulated and integrated more closely into the education system, while in countries lacking such arrangements, the respective training is provided by companies under their own auspices.

Results from the project cast some doubts on such optimistic perspectives, however. Unsurprisingly, an analysis by Wolbers (2000; see Table 3.2 below) clearly shows that participation in dual system training occurs most often in those countries operating large-scale dual systems. To a large extent, participants come from compulsory education backgrounds, that is, they participate in dual system training as a means to progress beyond the lowest level of education. Consistent with the above notion, Wolbers then also establishes a slightly higher tendency for Northern Europeans outside the core occupationalised systems to combine regular employment with further education. But apparently, this training occurs mostly among tertiary level graduates rather than the lowest qualified – effectively, it is thus very unlikely

that dual system training foregone is made up by company training for the least qualified later on. That is, it is typically not those leaving from compulsory levels of education who receive subsequent company investments, but rather those individuals who already bring a high level of qualifications to the work place. To do full justice to Wolbers' results, one should also note that precisely those Northern European countries lacking large scale vocational training arrangements have been those which significantly extended the provision of training which combines learning and working. Neither in the traditional occupationalised systems nor in Southern Europe did the proportion of young people receiving such training change substantially over the last decade. In Southern Europe, in particular, the likelihood of receiving occupationally relevant training after leaving the education and training system is very low.

**Table** **3.2:**  
***The Structure of Combined Work-Training Activities, by Institutional Contexts***

<i>Study</i>	<i>Macro-institutional Context</i>	<i>Effects</i>
Wolbers, 2000	Dual System Countries (incl. NL)	highest probability of dual system training, stable over time; less strong gender-typing of dual system training
	Southern Europe	lowest probability of dual system training, working students and further education among employed
	other European countries	relatively low probability of dual system training, but increasing over time; highest probability of further education among employed

### **3.5.2 Cross-national similarity and difference in transition outcomes: a broad perspective on labour market entry patterns in European countries**

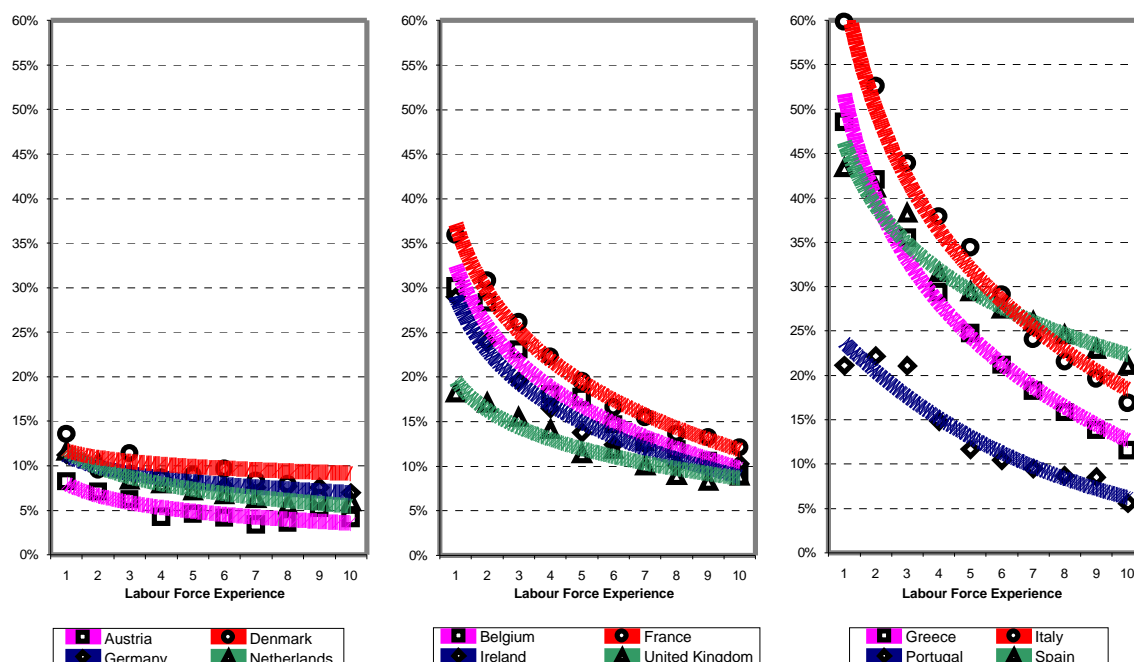
Conditional on leaving the education and training system, what are the similarities and differences between European countries in terms of labour market outcomes which occur on entering the labour force? And if differences occur, are there some countries which are relatively similar to each other in terms of the observed outcome patterns while others differ? Which contours does a European map of transition experiences show? In fact, these questions can be answered along numerous dimensions, each emphasising a particular aspect of labour

market and employment outcomes. Within the project, most research has focused on unemployment on the one hand and job features like occupation, industry, and type of contract on the other, although alternative measures have also been considered to some extent (Couppié and Mansuy, 2000a, 2000b; Gangl, 2000a). In addition, these analyses attempted to arrive at a descriptive account of major similarities and differences in transition patterns between European countries, often yielding empirical classifications of countries according to observed similar transition patterns. Within the project, several approaches have been followed, focusing either more on cross-national variation in outcome distributions like proportions of dual system training, youth unemployment rates or average occupational status outcomes (Couppié and Mansuy, 2000b), or more on cross-national variation in the relations between qualifications, labour force experience and employment outcomes (Couppié and Mansuy, 2000a; Gangl, 2000a). In doing so, attention was given to both comparative perspectives on the features of national youth labour markets and the relationships between youth and adult labour markets.

In fact, there are some broad cross-national similarities between European countries in terms of labour market experiences among recent entrants to the market, notably as compared to those of more experienced workers (Couppié and Mansuy, 2000a, 2000b; Gangl, 2000a). Typically, unemployment rates are higher at the early career stages as people have to look for a first job or have been able to secure only fairly uncertain jobs in the beginning (Couppié and Mansuy, 2000a, 2000b; Gangl, 2000a). Similarly, those entering the market are disproportionately allocated to low-skilled service-sector jobs (Couppié and Mansuy, 2000a, 2000b; Gangl, 2000a), often under fairly precarious contract conditions, as signified, for example, by the higher incidence of fixed-term contracts among market entrants (Couppié and Mansuy, 2000a). Moreover, transitions between labour market statuses of employment, unemployment, and inactivity occur much more often among market entrants compared to more experienced workers (Couppié and Mansuy, 2000a).



**Figure 3.5**



### **Unemployment Rates and Labour Force Experience**

Notes: Leavers from ISCED level 3; lines represent results from logarithmic smoothing.

Source: Gangl, 2000a.

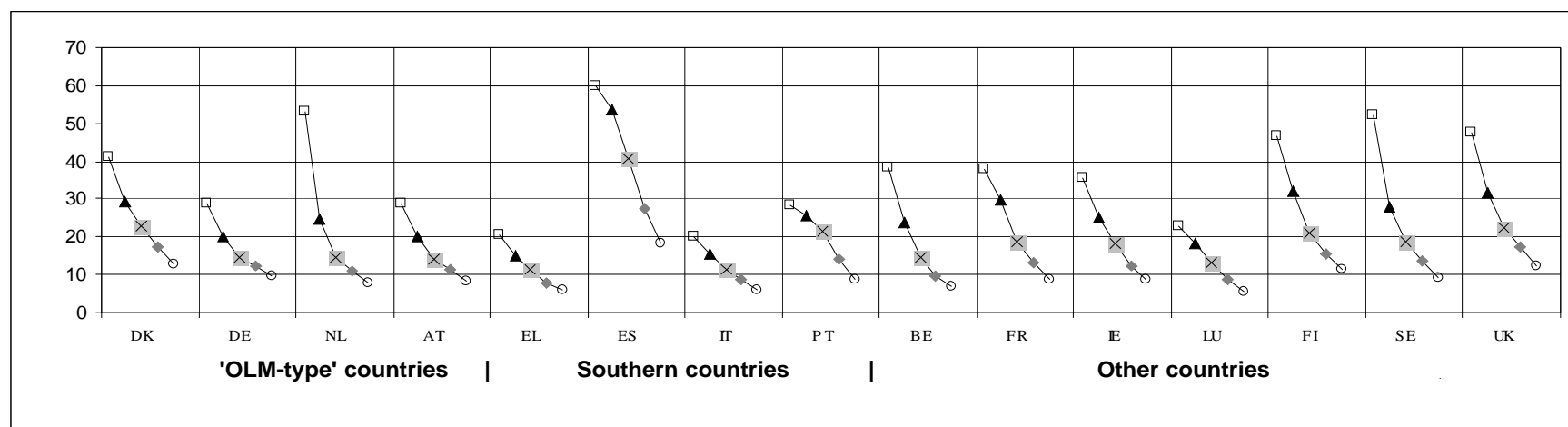
On the other hand, it is important to recognise that national transition patterns are far from identical, even if some aspects are common to most, if not all, of them. Indeed, countries differ markedly with respect to some core aspects of youth transition experiences. There are some countries where unemployment risks among market entrants are markedly more pronounced than those for more experienced workers. The Southern European countries, but also France, are examples for these (cf. Figure 3.5 above as an illustration for the group of leavers from upper secondary (ISCED level 3) education). But there are also other countries where this relationship is extremely weak, so that unemployment rates among market entrants closely parallel those among more experienced workers. Austria, Denmark, Germany, and the Netherlands would be examples of the latter group of countries (Couppié and Mansuy, 2000a, 2000b; Gangl, 2000a). In much the same way, the degree of disproportionate allocation to lower-level employment or to the service sector varies between European countries: while many young people enter the labour market at particularly low job levels and then progress over their initial years in the labour market in terms of occupational status or similar measures of job characteristics, this tendency is significantly weaker in Germany or Austria, for

example (Couppié and Mansuy, 2000a; Gangl, 2000a). Also, it seems relatively common among European countries, that a considerable proportion of new entrants to the market enter non-standard forms of employment, which are then increasingly left over the initial years in the labour force. Typically, some 20 per cent of an entry cohort held temporary contracts in their first year on the market, although the Nordic countries, and even more so Spain exhibit markedly higher figures, with estimates ranging even up to 80 per cent in the Spanish case (Couppié and Mansuy, 2000a). In many respects, similar patterns are also evident in the case of part-time employment. While part-time employment in general is much less specific to the early career stage, Couppié and Mansuy (2000a) show that the incidence of involuntary part-time contracts clearly declines with increasing labour force experience in almost all European countries. But again, countries differ remarkably in the extent to which young people have to accept involuntary part-time employment: notably in Belgium, France, Sweden and Finland the respective proportions amounted to well above 10 per cent among new entrants to the labour market.

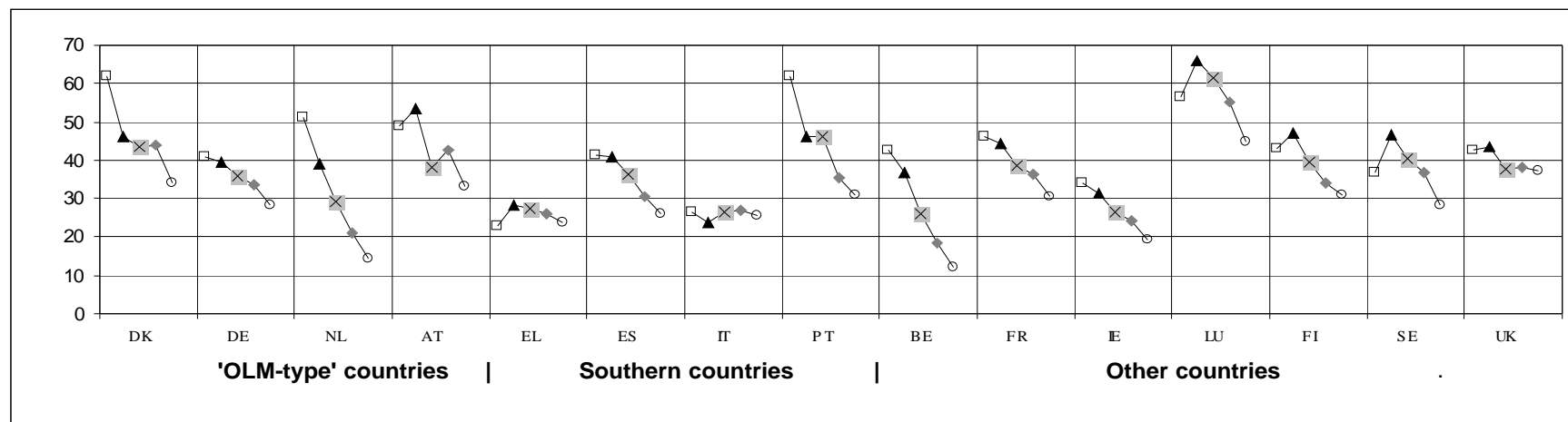
These findings of important heterogeneity among the countries also extend to particular types of labour market mobility. While it is true for many countries that young people are faster to leave unemployment, there are important exceptions to this rule. In neither Italy nor Greece does the likelihood of leaving unemployment vary by experience, and the same holds for the UK; at the same time, the transition rates from unemployment to employment in the UK are about twice those for Greece and Italy (Couppié and Mansuy, 2000a; cf. Figures 3.6 and 3.7 below). Similar observations can be made with respect to the probability of losing employment and subsequently entering unemployment, where most countries exhibit a modestly negative relationship with increasing work experience. Spain and France, in particular, experience excessively high inflow rates among market entrants, however (Couppié and Mansuy, 2000a; cf. Figure 3.6 below). Behind all these descriptive findings, the main substantive result is to realise that European countries differ much less in terms of labour market outcomes among experienced workers than they do in terms of outcomes among market entrants. To the extent labour market entrants' fortunes differ across European countries, this reflects cross-national variation in the relative competitiveness of those leaving the education and training systems, that is, the extent to which market entrants achieve similar outcomes as experienced workers along a number of dimensions. Variation in this relationship is at the core of empirically distinguishable 'transition systems' among European countries.



**Figure 3.6: Job exit rates among individuals employed in the previous year, by labour force experience**



**Figure 3.7: Reemployment rate among individuals unemployed in the previous year, by labour force experience**



—□— 0-2 years    —▲— 3-5 years    —×— 6-10 years    —◆— 11-15 years    —○— > 15 years

—□— 0-2 years    —▲— 3-5 years    —×— 6-10 years    —◆— 11-15 years    —○— > 15 years

Sources: Couppié and Mansuy, 2000a

The case for institutional explanations of market entrants' competitiveness in different countries could be strengthened if one were able to show that countries exhibiting similar institutional frameworks in training systems and labour markets are actually relatively similar in such overall transition patterns. In our analyses, we have attempted to demonstrate this by exploring the nature of cross-national similarities and differences on a number of labour market dimensions from cluster analyses (Couppié and Mansuy, 2000b; Gangl, 2000a). And although the technique is exploratory in nature, it does show some intriguing profiles of European differences in transition patterns. Our different analyses reliably singled out two polar transition patterns deviating clearly from the rest of Europe: the occupationalised systems of Austria, Denmark, the Netherlands, and Germany, on the one hand, and the Southern European countries, including Italy, Greece, and Portugal at least, on the other.

The main features of the first ideal-typical pattern was that, by and large, market entrants achieve only slightly less favourable market outcomes than more experienced workers, in terms of both unemployment and job characteristics. In contrast, in countries like the UK, France and Ireland, market entrants are significantly disadvantaged compared to more experienced workers on both dimensions. The Southern countries, in turn, deviate from this pattern by even more marked disadvantages to market entrants in terms of unemployment risks, but even more so in the low level of mobility between labour market statuses, once initial employment has been secured. Labour markets in Northern European countries exhibit much larger mobility rates between employers and between employment and unemployment than is the case in the typical Southern European experience. In fact, this criterion yields a major reason for considering youth experiences in, for example, Spain as relatively similar to France rather than to Portugal.

Compared to the polar cases, further divisions among the remaining European countries emerged less clearly. It is clear that the remaining countries comprising France, the UK, Belgium, Ireland, Spain, but possibly also Sweden and Finland, form a much less homogeneous set of transition profiles than those described earlier. It is certainly possible to draw finer distinctions among transition patterns in these countries, but our research based on LFS data has so far not given definite results. Depending very much on the particular indicators considered, sometimes Britain and

Ireland could be distinguished from a particular French pattern, but in other analyses Ireland became included among the Southern European countries. Clearly, this uncertainty in the results reflects, to a large part, the exploratory nature of the particular methodology applied and differences between the analyses in terms of the precise indicators utilised. But in fact, as some fairly clear-cut broad types of different national transition patterns seem to characterise the overall European experience, there appears some scope for institutionally-based explanations of these patterns. It is to these to which we now turn.

### **3.5.3 Unemployment risks: education, institutions, and socio-economic context conditions**

Among the various aspects of school-to-work transitions of potential interest, the project's more specific and most sophisticated analyses have focused on two core labour market outcomes, namely unemployment risks and employment outcomes among labour market entrants. In the respective analyses, we attempted to explain these transition outcomes by adequately accounting for both the role of individual resources and characteristics and the impact of particular institutional contexts and other macrostructural and socio-economic context conditions (van der Velden and Wolbers, 2000; Gangl, 2000b, 2000c). In order to properly accomplish this task, the three relevant papers applied several variants of multilevel analysis as a methodological innovation in comparative empirical research. While this section will summarise our results with respect to determinants of unemployment risks, the subsequent section will discuss the determinants of specific employment outcomes in greater detail.

Among the many factors which could potentially be linked to the incidence of unemployment, our results mainly concern three types of determinants: individual education and training (Gangl, 2000b; Brauns et al., 1999), institutional features of both education and training systems and labour markets (van der Velden and Wolbers, 2000; Gangl, 2000b), and socio-economic context conditions (Gangl, 2000c). Unsurprisingly, each factor turns out to have important consequences for the extent of

labour market integration problems among recent entrants. Education and training, for example, is the primary individual resource for avoiding unemployment at entering the labour market. In general and controlling for other factors, the higher the individual level of education attained, the lower the risk of unemployment incidence in the early career stage. At the same time, vocational training, notably if obtained in the context of dual training arrangements, also contributes to lower unemployment risks (van der Velden and Wolbers, 2000; Gangl, 2000b). Figure 3.8 below represents these relationships graphically, based on a multilevel model which controls for other individual factors, as well as institutional and economic context factors.

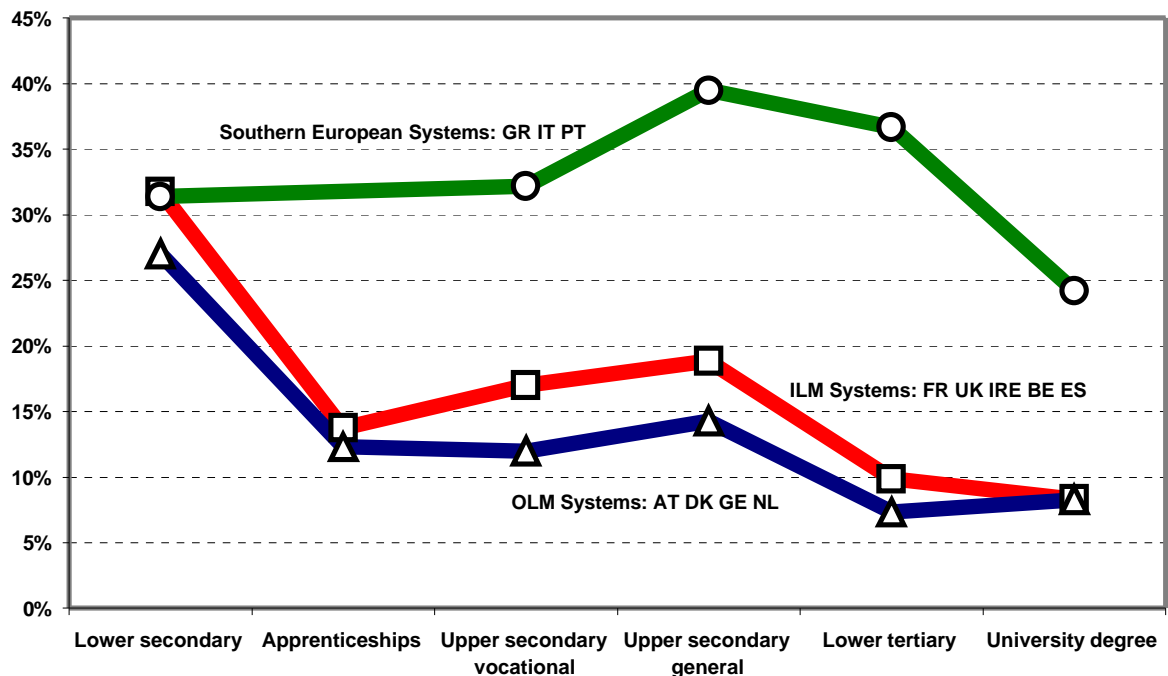
However, the interesting result is that this relationship does not hold in all European countries; rather, there is systematic institutional variation as to whether educational credentials serve to lower the individual risk of unemployment. In fact, there is little variation among, broadly speaking, Northern European countries, except for the better performance of those who achieve school-based vocational training in occupationalised labour market contexts like Germany and the Netherlands. That is, apprenticeships and similar types of dual system training lead to lower unemployment rates than those of upper secondary general tracks in both occupationalised and less occupationally structured systems. The difference between these two types of transition systems lies in the fact that leavers from school-based vocational training face lower unemployment rates in more occupationalised contexts. This finding seems to support the reasoning that appropriate vocational specialisation is important to integrate young people into the labour force in markets exhibiting strong occupational boundaries (irrespective of whether the qualification is obtained from school-based or dual forms of training), while in less tightly structured systems it is more the actual training contract with a particular employer (as an apprentice or otherwise) which reduces subsequent unemployment risks.

But the main institutional divergence occurs in Southern European countries, where the level and type of education hardly affects unemployment risks at all. That is, while low qualified school leavers do not face particularly different unemployment risks compared to their Northern European counterparts, unemployment rates among leavers from upper secondary education and even among university graduates are at similar levels to, rather than substantially lower than, those among the least qualified.



In contrast to Northern Europe, unemployment in the early career stages is a particular problem of the highly qualified in the South rather than among the least qualified. In fact, the nature of unemployment itself is thus likely to be very different between Northern and Southern Europe.

**Figure 3.8**  
**Unemployment among Market Entrants: Effects of Education and Institutional Context**



Notes: Predicted probabilities at mean individual covariates and macrolevel context conditions, based on multilevel regression estimation.

Source: Gangl, 2000b

In order to deepen our understanding about the role of education in actual unemployment processes underlying the above results, we have conducted a more sophisticated analysis of educational effects on unemployment processes based on LFS microdata for France, the United Kingdom, and Germany (Brauns et al., 1999). In that analysis, we estimated a two-stage model of the labour market entry process, distinguishing between unemployment risks due to prolonged initial job search and unemployment risks related to the instability of initial employment found. From this analysis, it appeared that educational resources have reinforcing effects on both stages, that is, those qualifications which provide relatively smooth access to first jobs also typically provide access to more stable employment. This applies in particular to apprenticeships, which are found to provide not only almost immediate access to employment (e.g. by continued employment in the training firm), but also relatively secure first jobs.

Apart from this different role of education in labour market allocation processes, the institutional structure of education and training systems actually exerts a crucial influence in itself as it determines the qualificational resources available to labour market entrants to a large extent. Those countries operating large-scale dual systems of training provision experience significantly lower unemployment rates in the transition period because a large proportion of those leaving the education and training system have acquired a qualification which implies direct access to subsequent employment (van der Velden and Wolbers, 2000; Gangl, 2000b). According to estimates from Gangl (2000b), this effect alone amounts to lower aggregate unemployment rates among labour market entrants in dual system countries (including the Netherlands) by 5 percentage points as compared to the other Northern European countries. In addition, there is also a composition effect of educational levels on unemployment rates, which further disadvantages the Southern European countries as compared to Northern Europe: the higher the level of education among market entrants, the lower a country's unemployment rate among this group. Beyond these institutional effects of educational systems and broad labour market contexts, there is little evidence for other relevant institutional factors. Van der Velden and Wolbers (2000) tested for effects of a number of institutional features of labour markets, including wage bargaining structures, union density, the extent of youth activation and training measures among others, but none of these receives clear empirical support. Only in the case of the strictness of employment protection legislation, they find evidence for a small positive effect on unemployment. That is, the better protected the core work force, the more difficult it is for youth to successfully compete in securing employment. On the other hand, this effect did not receive clear support as soon as the structure of training systems was simultaneously controlled for.

**Table**

**3.3**

***Institutional Effects On Unemployment Rates among Market Entrants***

<i>Study</i>	<i>Institutional Variable</i>	<i>Effects</i>
van der Velden / Wolbers, 2000	Centralised Wage Bargaining	negative, not significant
	Union Density	no effect

	Employment Protection	positive, not significant
	Vocational Specificity / Educ.	no effect
	Dual System	negative
	Tracking / Second. Educ. System	no effect
Gangl, 2000b	Apprenticeship Systems	negative
	Occupationalized Markets	negative (for vocational qualifications)
	Southern Europe	positive (for better qualified)
Gangl, 2000c	Interaction of macroeconomic trends and three macroinstitutional contexts	cyclical effects less pronounced in Southern Europe

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At the same time, young people's labour market fortunes are not isolated from the evolution of the labour market in general. It is not only individual qualifications and national institutional contexts which affect unemployment risks in early career stages, but obviously also the broader structural context. The role of aggregate macroeconomic conditions, measured by either aggregate unemployment rates or employment growth rates, is a key determinant of unemployment risks among recent entrants to the labour market (van der Velden and Wolbers, 2000; Gangl, 2000b, 2000c). Those in their early career stages are particularly affected by cyclical market swings as they are typically among the less competitive individuals on the market and have not yet entered stable permanent job positions. In each recessionary period, unemployment rates among market entrants increase relatively stronger than aggregate rates, but they also decline more strongly in more buoyant times. As more detailed analyses show, it is the lowest qualified school leavers whose labour market chances are particularly vulnerable to cyclical macroeconomic developments (Gangl, 2000c). But there is yet another important reason why those entering the labour market with low qualifications form a particular problem group. According to the results in Gangl (2000c), ongoing professionalisation of the labour force and related increases in skill requirements increasingly work against the lowest qualified school leavers. In addition, there is no evidence that any European country is exempted from this tendency.

### **3.5.4 Types of jobs and the nature of employment contracts: some determinants**

Understanding unemployment risks is one important element in understanding transition processes, yet the flip side of the coin is to understand young people's employment outcomes in their early career stages. Several of the project analyses have touched on these matters by addressing the nature of occupational allocation of labour market entrants (Gangl, 2000b, 2000c) and the types of contracts obtained initially (van der Velden and Wolbers, 2000). We have not conducted any analysis on wage or earnings outcomes as no measures on them are provided in the EULFS, at least up to the 1997 wave which has been the most recent one considered in our work. And as in the case of unemployment, our main analytical interests focused on the role of education and training, institutions and socio-economic context factors in generating job outcomes at the start of individual careers.

In fact, the role of education and training as a major individual resource in job competition emerges very clearly from our analyses. The higher the level of education attained, the higher the occupational status of job positions (Gangl, 2000b), the lower the likelihood of entering into low-skilled jobs (Gangl, 2000b), the higher the probability of accessing professional job positions already in the early career stage (Gangl, 2000b), the lower the probability of obtaining fixed-term or otherwise temporary job contracts (van der Velden and Wolbers, 2000), and the higher the likelihood of having a full-time contract (van der Velden and Wolbers, 2000). And more specifically, it turns out that some of the particular advantages of apprenticeship contracts in terms of unemployment risks come at the expense of allocation to lower level jobs: compared to leavers from general or school-based vocational tracks at the upper secondary level, apprentices attain employment in lower status occupations and run a higher risk of entering low-skilled jobs. In fact, there are few indications that these relationships vary dramatically between the various European countries: in general, macro-institutional differences play a much more limited role with respect to employment outcomes among labour market entrants than is the case with respect to unemployment risks in the early career stages.

Again, there is a certain role to play on the part of the institutional structure of education and training systems. In an almost trivial sense, the higher the level of educational attainment in a cohort entering the labour market, the higher will be the level of jobs for which they compete. The still lower educational levels in Southern Europe explain the, on average, lower occupational attainment levels in the early career stages there to a good deal already (Gangl, 2000b). But potentially more interesting are the favourable effects of large scale dual systems or similar forms of vocationally specific training provision. According to our results, the presence of such systems lowers the incidence of low-skilled employment (Gangl, 2000b) and temporary contracts (van der Velden and Wolbers, 2000) among young people entering the labour market. To which extent this effect is due to the occupational specificity of the training provided itself or to the fact that the offered training tracks represent a low-threshold option for attaining education and training beyond compulsory levels is an open question to future research – but the effect itself is undeniably there.

***Institutional Effects On Employment Outcomes among Market Entrants***

<i>Study</i>	<i>/ Institutional Variable</i>	<i>Effects</i>
<i>Dependent Variable</i>		
van der Velden / Wolbers, 2000: Temporary Contract	Centralised Wage Bargaining	negative, not significant
	Union Density	no effect
	Employment Protection	positive
	Vocational Specificity / Educ.	no effect
	Dual System	negative
	Tracking / Second. Educ. System	no effect
van der Velden / Wolbers, 2000: Part-Time Employment	Centralised Wage Bargaining	positive, not significant
	Union Density	no effect
	Employment Protection	negative, not significant
	Vocational Specificity / Educ.	positive
	Dual System	negative, not significant
	Tracking / Second. Educ. System	negative, not significant
Gangl, 2000b: Occupational Status	Apprenticeship Systems	small negative effect
	Occupationalised Markets	no effect
	Southern Europe	no effect
Gangl, 2000b: Occupational Segment	Apprenticeship Systems	negative for secondary sector employment
	Occupationalized Markets	positive for professional employment
	Southern Europe	no effect
Gangl, 2000c: Occupational Status	Interaction of macroeconomic trends and three macro-institutional contexts	positive effects of professionalisation strongest in OLM countries, negative effects of educational expansion strongest in Southern Europe
Gangl, 2000c: Occupational Segment	Interaction of macroeconomic trends and three macro-institutional contexts	positive effects of professionalisation strongest in OLM countries

Apart from this, there is also some evidence for slightly different allocation mechanisms operating in the occupationalised markets of Austria, Denmark, Germany, and the Netherlands. In these systems, occupational allocation tends to be

more strongly skill-based: as job competition relies more heavily on (formally certified) skills rather than experience, those entering the labour market in such contexts are relatively more competitive to adult workers than is the case in systems less reliant on certified skills. Hence, occupational and employment outcomes reflect more adequate matches at earlier career stages than elsewhere. In support of this reasoning, Gangl (2000b) provides evidence that higher levels of education provide more protection from entering low-skilled jobs in occupationalised systems, and that leavers from tertiary level education are much more likely to attain professional positions already at the outset of their careers. In addition, van der Velden and Wolbers (2000) establish an effect of the strictness of employment protection on labour market entrants' job outcomes. Paradoxically at first glance, the probability of obtaining initial employment on a fixed-term or temporary basis is higher in countries with stricter employment protection legislation. In fact, this might indicate a deliberate strategy to flexibilise youth labour markets so as to facilitate youth labour market integration, without at the same time sacrificing protection standards for the core work force (cf. Schröder, 2000). For the several other institutional indicators as tested in van der Velden and Wolbers (2000), results have not shown significant effects.

In addition to these individual and institutional factors, the impact of macrostructural context factors is far from negligible. Actually, however, the role of aggregate macroeconomic conditions is much less important for occupational allocation and employment outcomes than for unemployment risks discussed earlier. At best, macroeconomic conditions determine only to a small part the extent to which those entering the labour market are allocated to lower level positions. In tighter labour markets, young people are disproportionately allocated into low-skilled and temporary jobs (Gangl, 2000b; van der Velden and Wolbers, 2000), and this allocation pattern is much less responsive to cyclical changes than are unemployment risks. Whether temporary jobs themselves are, in turn, more sensitive to the business cycle than permanent jobs, as they may have the role of a buffer to changes in product demand, is an open question for future research.

But what turns out to be much more important to employment outcomes among labour market entrants is the (changing) balance between individual qualifications and



skill demands on the market. Our analyses clearly show that *net changes* in the relative balance between supplied and demanded skills have important implications for employment outcomes among school leavers. In general, an increasing supply of better qualified market entrants triggers changes in allocation patterns at otherwise unchanged market conditions as better qualified leavers become substituted for less qualified ones. As a consequence, increasing levels of educational attainment have diminishing individual absolute and relative advantages as a by-product: on average, educational expansion implies lower occupational status outcomes, higher risks of low-skilled jobs, and decreasing probabilities of entering professional positions (Gangl, 2000b, 2000c). In addition, educational expansion has also been accompanied by an expansion of part-time employment (van der Velden and Wolbers, 2000). Given the current trend of expansion at the tertiary level, the triggered adjustment reactions have, of course, mostly implied declining occupational returns among tertiary level leavers, and to a lesser extent, also among leavers from upper secondary education (Gangl, 2000c). As with many other results reviewed before, there is no indication in our data that these processes occur differently in different European countries. If anything, downward substitution pressures have even been somewhat stronger among tertiary level graduates in Southern European countries, potentially related to the strong ongoing catching-up processes in patterns of educational attainment.

But as stated earlier, the net outcome of these developments is dependent on parallel changes in the structure of labour markets. To the extent that labour markets begin to utilise the higher level of supplied skills adequately, an increasing professionalisation of labour market demand actually counteracts the effects of educational expansion as young people in all European countries benefit from the increasing availability of employment positions appropriate to their skill levels (Gangl, 2000c). There is strong evidence that such labour market developments actually occurred, although probably somewhat time-lagged. That is, empirically, we do not observe particularly pervasive net changes in occupational outcome patterns over the past decades despite tremendous educational expansion because labour markets happened to generate increasing levels of demand for high-skill jobs. To understand if that correlation was purely incidental or whether both developments have in fact been closely interrelated and potentially intensified each other would appear as a pressing task for future research – not least in order to have clearer views on the policy implications of even

further educational expansion. It might be that diminishing returns to education in the short run are an expression of short-run costs of adjustment to a modernised economic structure, which are in part borne by those entering the market in a period of restructuring. As this is still somewhat tentative, future research is clearly needed to provide answers on the nature of such driving forces behind changing patterns of occupational allocation.

### **3.5.5 Summary**

In sum, the project's analyses based on LFS data have stressed both the considerable similarity and also the substantial heterogeneity in European transition patterns. There are striking differences among EU member states in terms of the levels and types of qualifications which market entrants have at their disposal. There are important differences between the countries in terms of the institutional nature of training provision. There are excessively large differences between countries in terms of unemployment risks for those in their early career stages. And there are important differences in the types of jobs and the nature of employment contracts attained by young people. In fact, the project's exploratory attempts to describe the variety of European transition patterns did not result in any definite picture of a European 'map' of transition experiences. Still, it is probably fair to conclude that we have been able to bring out some contours more clearly than can be done on the basis of previous research: while the exceptional position of traditional dual system countries has already been the matter of much scholarly debate, notably in contrast to various other Northern European countries, the particular conditions applying in most Southern European countries have typically gone unnoticed in comparative research to date.

Nevertheless, as shown by the more advanced analyses in the project, this heterogeneity of experiences does not necessarily defy systematic explanation. That is, the similarities and differences in European transition patterns described in this section can probably be explained as arising from some general underlying mechanisms which apply to all countries. In fact, for all the particular outcomes considered, we have compiled evidence of the importance of individual resources, notably education, institutional factors and broader socio-economic context conditions

in generating the observed transition patterns. Typically, cross-national differences in the *effects* of any such resources and structural factors on youth labour market integration are quite small. For example, while there is some evidence for cross-national differences in the labour market value of (particular types of) education, the magnitude of such effects is often far from compelling. Similarly, there is little evidence that ongoing labour market changes affect young people in different ways in different European countries – what does differ between countries is the extent of macroeconomic turbulences rather than their effects on transition outcomes.

Still, institutional factors often attain a prominent place in the explanation of cross-national similarities and differences. Country differences in macro-structural context conditions are usually of limited power in comparative explanations. In fact, a large part of cross-national variation turns out to be stable over time and cyclical economic changes, thus necessitating institutionally-based explanations. Among these, three particular institutional complexes figure prominently in our results: First, the institutional structure of education and training systems because this largely determines the nature of qualificational resources available to market entrants. Countries where young people achieve higher levels of education, as well as those countries operating large scale systems of vocational training, provide young people with a better start into working life. Second, the institutional labour market context, which governs the transformation of educational resources into employment outcomes. There are two aspects which have been addressed more extensively in project work, namely the role of occupational labour markets and the effects of employment protection legislation. It seems that occupationalised labour market contexts, that is, those labour markets tightly structured by occupational boundaries arising, for example, from the nature of educational supply and/or union action in recruitment processes, provide some advantages to young people as job competition relies more strongly on skills rather than experience. Hence, the relative competitiveness of young people is increased relative to systems more reliant on experience on the market.

Finally, there is the issue of potential effects of employment protection legislation, which is often expected to negatively affect youth labour market integration. We have not found any evidence which would support this assumption. Rather, the evidence

seems rather more consistent with a view that in more tightly regulated systems, the use of *flexibly regulated* forms of employment contracts (like fixed-term contracts or special forms of combined work-training contracts) is particularly widespread as a *regulated* means to foster the integration of young people into the labour market, rather than regulation amounting to a genuine impediment to integration itself. Countries like Italy and Greece are probably among those countries where such an argument is least likely to sound plausible, as tight employment protection standards are enforced, but provisions for flexible contracts to achieve youth integration are not really common, and both youth unemployment rates and the proportion of first-time job seekers among the unemployed are substantial. Still, we have little direct or indirect evidence for a destructive role of employment protection in the sense that employers appear particularly hesitant to recruit school leavers. In fact, two results we have obtained might be taken as indicative of the potentially crucial role of differences in supply-side behaviour for bringing about particular transition patterns in Southern Europe: empirically, what is specific about unemployment in, for example, Italy or Greece is the extent to which leavers from upper secondary, and even more so from tertiary, levels of education are affected. This is very much in contrast with what would have to be expected if employment protection were the main problem. In addition, there is some evidence that cyclical fluctuations in youth unemployment rates are considerably lower in most Southern European countries, which might also tentatively indicate a less dominant role of demand-side behaviour in shaping transition outcomes for young people.

### **3.6 MAIN FINDINGS FROM ANALYSES OF THE SCHOOL LEAVERS' SURVEY DATA**

Section 3.5 has presented the main findings of analyses of Labour Force Survey data for fifteen European countries. In contrast, school leaver survey data are available for only five countries: France, Ireland, the Netherlands, Scotland and Sweden. While certain types of systems (in particular, dual system and Mediterranean countries) are excluded from this group, important differences related to distinct dimensions of educational differentiation and forms of labour market regulation are captured within the group.

All of the systems can be regarded as highly standardised but differ in the extent and nature of differentiation within the same stage, and at the end of each stage, of education. The Netherlands has the most highly track-differentiated system with a distinction at both lower and upper secondary level between (different types of) academic and vocational courses. In France, there is a significant degree of tracking at upper secondary level, with different types of lycées and students studying for the BEP/CAP or different types of general or vocational Baccalauréat. Sweden represents an intermediate case, with over half of those at upper secondary level taking vocational programmes, albeit ones with a strong general component and little institutionalised linkage to the labour market.

Ireland can be broadly characterised as a 'general' educational system, although track differentiation at upper secondary level has become increasingly apparent in recent years. Post-Leaving Certificate (PLC) vocational courses are provided within the school-based systems while two new programme options (the Vocational and Applied Programmes) have become available within the general upper secondary examination system. Scotland probably represents the clearest example of an undifferentiated school-based system, albeit with a number of students taking a mix of academic Highers and vocational modules. For some purposes, upper secondary provision in Scotland can be seen as encompassing a range of differentiated provision, including full-time school, Further Education (typically vocational or pre-vocational) and work-based training provision. However, because of the nature of the sample in the Scottish school leavers' survey, for the purposes of this study we focus only on leavers from the school-based system, counting other forms of upper secondary provision as equivalent to early labour market destinations.

The five countries also differ in the nature of formal differentiation at the end of each educational stage. Some systems (such as Ireland) have a highly differentiated grading structure with examination candidates awarded grades for individual subjects which may be taken at a number of curricular levels. Differentiated grading systems are also employed in Scotland, Sweden and the Netherlands. In contrast, systems, such as France and the Netherlands, differentiate only between 'passing' and 'failing' a particular stage.

In sum, while school leaver survey data are unable to depict the whole range of education, training and labour market systems across Europe, they are nonetheless able to capture important dimensions of institutional variation in the transition process. In total, twelve working papers were prepared using the integrated school leavers' databases (see Table 3.5). These papers explored a range of topics, including cross-national variation in transition processes, participation in post-school training and differences among groups of young people in terms of gender and ethnicity. The following sections outline the main findings of these papers in terms of (i) educational outcomes, (ii) the relationship between education and the labour market, (iii) post-school training, and (iv) the social structuration of transition processes.

**Table 3.5: Overview of SLS working papers**

<i>Author(s)</i>	<i>Title</i>	<i>Topic(s)</i>
Grelet, Y., Mansuy, M., Thomas, G. (2000a)	Transition from school to work and early labour force history	Cross-national differences and similarities in the nature of transition processes
Grelet, Y., Mansuy, M., Thomas, G. (2000b)	The transition process: towards exclusion or financial sufficiency, a French-Irish comparison	Prevalence of non-employment and low pay over the first five years in the labour market
Hartkamp, J. and Rutjes, H. (2000a)	A route to skills: a comparative analysis of the position of apprenticeship in transition systems in France, Ireland, the Netherlands and Scotland	The level and nature of post-school apprenticeship participation across countries
Hartkamp, J. and Rutjes, H. (2000b)	Apprenticeship in Ireland, the Netherlands and Scotland: comparison of trends 1979-1997	The level and nature of post-school apprenticeship participation across countries and over time
Iannelli, C. (2000)	School effects on youth transitions in Ireland, Scotland and the Netherlands	Variation between schools within countries in post-school principal activity
Iannelli, C. and Raffae, D. (2000)	Vocational upper-secondary education and the transition from school to work	Comparison of vocational and academic routes in Ireland, the Netherlands, Scotland and Sweden
Mansuy, M. and Schröder, L. (2000)	Immigrant youth in the labour market in France and Sweden	Educational and labour market characteristics of immigrant youth in the two countries
McCoy, S. (2000a)	Relative labour market disadvantage amongst the least qualified in Ireland, Scotland, the Netherlands, France and Sweden	Cross-national variation in the labour market position of the least qualified
McCoy, S. (2000b)	Relative labour market disadvantage	Variation across countries and

	among the least qualified: Ireland, the Netherlands and Scotland, 1979-1997	over time in the labour market position of the least qualified
Schröder, L. (2000)	The role of youth programmes in the transition from school to work	Level and nature of participation in youth programmes across countries
Smyth, E. (2000a)	Gender differentiation in education and transition outcomes	Cross-national differences and similarities in education and transition outcomes among women and men
Smyth, E. (2000b)	Gender differentiation in education and early labour market outcomes over time: a comparative analysis	Variation across countries and over time in education and transition outcomes among women and men

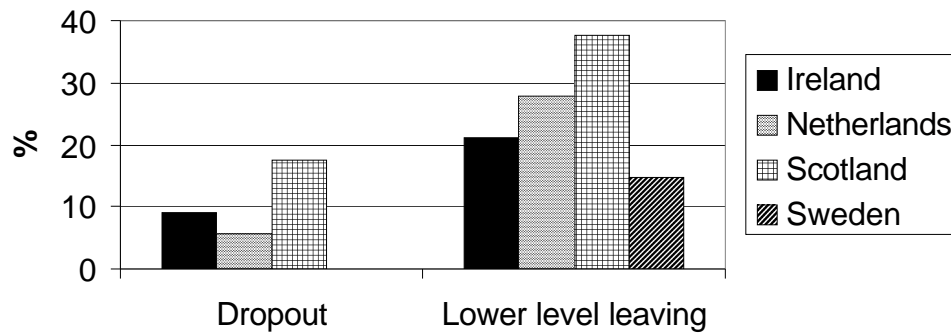
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### 3.6.1 Educational outcomes

Certain measures of educational attainment, such as CASMIN and ISCED, had been commonly used in previous cross-national studies. However, for our purposes these measures proved problematic. Firstly, school-leavers in our samples were not necessarily at the end of their education/training career. Secondly, these measures often ignored some of the dimensions of education which are conceptually and empirically important, at least in certain national contexts (such as examination grades). For this reason, we derived several dimensions of educational outcomes which we could use to capture the full complexity of cross-national variation; these included age on leaving school, educational level (incorporating stage and qualifications achieved), curricular track, grades received and subjects/courses taken (see CATEWE, 1999; Brannen, Smyth, 2000).

*Figure 3.9: Cross-national variation in educational level (1995/7)*





Source: Calculated from McCoy (2000a).

It was hypothesised that the institutional nature of the educational system would influence the proportion of young people exiting at different stages of their schooling. More specifically, it was expected that more general educational systems (such as Ireland) would have a higher proportion of less qualified leavers due to their comparative failure to retain those less academically oriented (McCoy, 2000a). While significant cross-national differences were apparent, this hypothesis was not wholly confirmed. Two distinct measures of lower qualifications were tested: 'drop-out', exiting the school system without any qualifications, and 'lower level leaving', exiting the school system without attempting upper secondary qualifications, a measure that also included 'drop-out'. The nature of cross-national variation depended on the precise measure of educational level used (see Figure 3.9). Rates of 'drop-out' (no qualifications) in the late 1990s were higher in Scotland than in Sweden, Ireland or the Netherlands<sup>6</sup>. If lower level leaving (no upper secondary qualifications) is considered, cross-national differences persist but the gap in exit rates between Scotland and the Netherlands/Ireland is somewhat reduced in magnitude (McCoy, 2000a). Lower level leaving remains much less prevalent in Sweden than in the other countries. Achieving an upper secondary qualification is highest in Sweden and Ireland and lowest in Scotland. It should be noted that these patterns refer to initial school-based education and do not incorporate other routes to upper secondary qualifications (such as apprenticeships or further education courses). The focus on school-based educational attainment has different implications for different countries;

<sup>6</sup> Rates of drop-out were also high in the French pattern. However, this pattern should be interpreted with some caution due to the exclusion of general Baccalauréat candidates from the survey sample. The French pattern alters markedly when this is taken into account (see Martin and Raffe, 1998).

in Scotland, for example, many young people obtain upper secondary qualifications in post-school further education colleges (see Martin and Raffe, 1998). Cross-national differences in educational attainment are not static over time, however (Müller and Wolbers, 1999). Among the SLS countries on which data are available, Ireland and Scotland have both experienced a substantial growth over the 1980s and 1990s in the proportions staying in school to upper secondary level. In contrast, educational attainment levels in the Netherlands have remained relatively static, albeit over a shorter time-period (1989 to 1997) (McCoy, 2000b; Smyth, 2000b).

Young people in the countries studied differ not only in their level of education but also in the type of education they receive. Differentiation between 'academic' and 'vocational' tracks is clear-cut within the Dutch and French contexts. In Sweden, vocational specialisations at upper secondary level were introduced in 1970 with reforms in the 1990s resulting in a reduction in the number of vocational programmes. In the Irish and Scottish cases, however, no such formal tracking exists within the general secondary school system, although students can differ markedly in the subjects they take. Furthermore, the Irish system has seen an increasing incorporation of vocational education (most commonly, Post-Leaving Certificate courses) into the upper secondary level. For our purposes, this distinction between the courses taken in Ireland and Scotland was seen as 'informal' tracking and the use of this concept allowed us to explore whether this 'informal' tracking operates in a similar fashion to more formally differentiated tracking. Given the institutional differences in the role of vocational education, it is hardly surprising that those taking vocational tracks represent a larger group in the Netherlands, Sweden and France (Iannelli and Raffe, 2000). Participation in vocational tracks has remained fairly stable in the Netherlands over the period 1989 to 1997. However, there has been a significant increase in the proportion of young Irish people taking vocational courses, reflecting the introduction and expansion of Post-Leaving Certificate provision over the period in question<sup>7</sup> (Smyth, 2000b).

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<sup>7</sup> It is more difficult to examine trends over time in Scotland since the availability of data on the take-up of vocational modules varies over time.

Within the countries considered, educational outcomes vary by gender, ethnicity and socio-economic background; this variation is considered in section 3.6.4 below.

### **3.6.2 Education and the labour market**

One of the central concerns of the CATEWE project has been to examine the relationship between education and transition outcomes across a range of institutional and labour market contexts. A number of measures of labour market outcomes, such as the EGP social class schema, had previously been developed to examine stratification and mobility processes among the adult population. However, such measures caused difficulties when applied to our particular samples, leading to a high concentration of school-leavers in a small number of social class categories. Therefore, several dimensions of labour market outcomes were derived, including full/part-time status, the nature of the employment contract, social class, occupational status, occupational segment, industrial sector, industrial segment and earnings. The countries vary markedly along these dimensions with quite different industrial, occupational and earnings structures. A consideration of the factors underlying these cross-national differences lies outside the parameters of our study. Instead, analyses of the integrated SLS datasets have focused on exploring the way in which educational outcomes help to shape (variation in) young people's experiences of early transition processes.

**Figure 3.10: A summary of the relationship between education and transition outcomes**

<i>Transition 'outcome'</i>	<i>Educational outcome</i>			
	Educational level	Educational type (vocational track)	Grades	School variation (controlling for composition)
Unemployment	-	n.s. (except Ireland -; Scotland + at upper secondary only)	- (Ireland, Sweden, Scotland)	Significant (Ireland, Netherlands)
Further education	+	-	+	Significant (Ireland, Scotland, Netherlands)
Apprenticeship	- (France <sup>8</sup> , Netherlands)	- (France, Netherlands)		Significant (Ireland, Netherlands)
State training scheme	- (Ireland, Scotland) + (Netherlands, Sweden) n.s. (France)	n.s.		Not significant (Ireland, Netherlands, Scotland)
Occupational status	+	-		

<sup>8</sup> It should be noted that in France young people can either transfer to apprenticeship programmes within their initial education (often at fairly early ages) or return to such programmes after leaving school. This finding relates to post-school participation.

Manual employment	-	+		
Secondary sector job	-	-		
Part-time job	- (except Scotland)	- (Ireland, Netherlands)		
Earnings	+ (except Sweden)	+ (Netherlands, France)		

Notes: + statistically significant positive relationship  
- statistically significant negative relationship  
n.s. no significant relationship  
shaded area - relationship not considered in the working papers

The presence in the integrated databases of information on distinct dimensions of education allowed us to explore the relative importance of particular educational outcomes in different national contexts. Analyses centred on four of these dimensions: differentiation in terms of educational level (stage left school or a combination of stage and qualifications received), between academic and vocational tracks, within stages in terms of examination grades, and between schools. The relationships between these different dimensions of educational background and a number of transition 'outcomes' are summarised in Figure 3.10.

It was hypothesised that educational outcomes would have a significant influence on transition processes among young people in all of the study countries, due to the standardised nature of the qualifications systems considered. However, it was expected that in more 'general' systems (such as Ireland and Scotland) educational level and grades received would assume a more important role in shaping transition outcomes while type of education (whether academic or vocational) would be more important in track-differentiated systems like the Netherlands (Hannan et al., 1999).

### *Educational level*

The stage at which young people left school along with the qualifications they achieved were found to have significant influences on transition outcomes in all of the countries considered. Less qualified leavers are more likely to be unemployed than those with higher qualification levels (McCoy, 2000a) and tend to have longer spells of unemployment (Grelet et al., 2000a). Data from Ireland and France indicate that those without qualifications continue to be at a disadvantage in access to employment, even five years after entering the labour market (Grelet et al., 2000b). Less qualified leavers are also less likely to secure access to further education than those with upper secondary qualifications (Iannelli and Raffe, 2000; Smyth, 2000b). In addition, the type and quality of job are associated with initial level of education; those with upper secondary qualifications have access to better quality jobs while the least qualified are more likely to have part-time jobs and receive low wages (Grelet et al., 2000a; McCoy, 2000a). Lower level leavers tend to be over-represented in manual employment and under-represented in the routine non-manual or professional classes. They are more likely to be found in secondary sector employment within the manufacturing or construction sectors and are less likely to secure employment in the finance, public administration or professional service sectors (McCoy, 2000a).

While there are definite similarities across countries in the position of less qualified young people, their relative disadvantage tends to differ across countries and in terms of the labour market outcome considered. Unemployment risks are more strongly differentiated by initial educational level in Scotland than in Ireland, Sweden or the Netherlands (McCoy, 2000a). Within France, unemployment risks continue to be differentiated by educational level over the first five years in the labour market (Grelet et al., 2000b). The distribution of unemployment after the initial period of labour market entry also varies cross-nationally; in the Irish context, unemployment is concentrated within a small group who experience longer term unemployment while in the French context, unemployment is experienced by a broader group but interspersed with periods of short-term employment and training programmes (Grelet et al., 2000b). In terms of occupational allocation, access to professional employment is more strongly differentiated by education in Ireland and Scotland than in the Netherlands or France. Furthermore, the relative disadvantage of lower level leavers in entry to secondary sector jobs is strongest in the Netherlands (McCoy, 2000a).

There has been much debate about the growth of overqualification in the youth labour market. While such studies usually address labour market entrants from both secondary and tertiary levels (see, for example, Hannan et al., 1998), it might be expected that increasing educational levels coupled with growing or volatile unemployment rates would have some implications for changes in the returns to education among secondary leavers. No consistent picture of changes in educational returns over time emerges; however, there are tentative suggestions of declining returns in some countries and for certain labour market outcomes. Both the Netherlands and Scotland have experienced a decline in the gap between the most and the least qualified in their relative unemployment risks over time (McCoy, 2000b) with upper secondary leaving providing diminishing protection against unemployment in Scotland (Smyth, 2000b). There is also some evidence of declining differentials between educational levels in occupational status in the Netherlands and in secondary sector employment in Scotland and Ireland (McCoy, 2000b).

#### *Type of education*

The type of education received (whether academic or vocational) is considered in a number of analyses. It was hypothesised that the existence of formal track differentiation would mean that type of education would have the strongest effects in the Dutch, French and, to a lesser extent, Swedish systems. However, it was also recognised that 'informal' tracking may play a role in shaping transition outcomes in Ireland and Scotland. Differentiation in the tracks young people take through the secondary school system is, on average, highly predictive of their trajectories on leaving school. Those who take academic courses are much more likely to enter further education than those who have taken vocational courses. This difference is more marked in Netherlands and, perhaps surprisingly, Ireland than in Scotland<sup>9</sup> (Iannelli and Raffe, 2000). Thus, in the Irish and Dutch cases, school-based vocational courses provide occupationally-specific skills and therefore act as an alternative to acquiring such skills through further education. Analyses of the LFS data indicate that

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<sup>9</sup> Unfortunately, France could not be included in these analyses. As general Baccalaureat leavers were not included in the sample, a full comparison of academic and vocational tracks at the upper secondary level could not be undertaken.

vocational education tends to be associated with a lower unemployment risk (see above). However, this pattern was not apparent in analyses of the school leavers' survey data, except in Ireland where young people who have taken vocational courses have lower unemployment rates than other groups (Iannelli and Raffe, 2000; McCoy, 2000a). It is likely that the differences between the two data sources can be accounted for by differences in the nature of the samples (apprentices were an 'outcome' for SLS but 'leavers' for LFS purposes), in the definition of vocational education (with a broader definition adopted in the SLS case) and the fact that unemployment rates in the highly track-differentiated Dutch case were extremely low at the time-point considered.

The type of education received was also found to have consequences for the nature of employment achieved. Having taken a vocational track increases the likelihood of entering manual employment, particularly skilled manual jobs, and appears to provide some protection against entry to secondary sector jobs in France, Ireland, the Netherlands, Scotland and Sweden (McCoy, 2000a). Conversely, those who have taken a vocational track are much less likely than academic leavers to enter professional employment or to find work in the distribution, finance or public administration sectors (McCoy, 2000a). It was hypothesised that acquiring occupationally-specific skills through school-based vocational education would also have a return in terms of pay levels. This hypothesis was confirmed with vocational leavers found to be at an earnings advantage in the more track-differentiated systems of the Netherlands and France (McCoy, 2000a).

The distinction between vocational and academic tracks appears to be an important one in shaping young people's early labour market experiences. In many ways, informal tracking in the Irish context appears to operate in a somewhat similar fashion to more formal tracking in the Netherlands and France. This pattern should be interpreted with some caution, however, since the effect primarily relates to participation in Post-Leaving Certificate courses which, in many ways, are more advanced in content as well as more occupationally specific than regular upper secondary courses (see Iannelli and Raffe, 2000). It is also important to go beyond a simple academic/vocational dichotomy to examine the type of vocational courses taken by young people. One such approach is to examine the gender composition of



different vocational tracks<sup>10</sup> (see Smyth, 2000a; Smyth, 2000b). Many of the consequences of vocational education relate primarily to participation in the type of tracks usually dominated by young men, which increases the likelihood of entering skilled manual employment in the manufacturing or construction sectors. However, participants in mixed or female-dominated tracks are more likely to work in personal services or other non-manual employment (Smyth, 2000a; 2000b). In this way, educational segregation plays a role in reproducing gender segregation within the labour market, although segregation is still apparent among young men and women who take the same kinds of vocational courses (see section 3.6.4 below).

### *Examination grades*

The third dimension considered in analyses of the SLS databases related to differentiation within stages through examination grades. It was hypothesised that grades would have a more significant effect on transition outcomes in more general education systems than in more track-differentiated systems. This hypothesis was confirmed by the analyses. Among upper secondary leavers, grades are associated with further education entry in Scotland, Ireland and Sweden. Interestingly, grades are also associated with further education entry in the Netherlands. The latter pattern is likely to relate to some form of unmeasured heterogeneity among academic leavers (e.g. greater interest in further education among higher-performing students) since access to third-level education is not usually based on a *numerus clausus* system as it is in the Irish case. Grades also appear to be used by employers in making recruitment decisions since higher-performing students have reduced unemployment risks in Ireland, Sweden and Scotland<sup>11</sup> (Iannelli and Raffe, 2000; Iannelli, 2000). As might be expected, grades are not significantly associated with unemployment chances (at least among upper secondary academic leavers) in the Netherlands where type and level of education play a more important role (Iannelli and Raffe, 2000).

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<sup>10</sup> More research is needed on the relationship between field of education and the nature of the transition process. Analysing the gender mix of vocational tracks is a way of assessing the relationship between educational and occupational segregation. However, it would also be useful to know if certain types of course content (e.g. carpentry) lead to different transition outcomes in different countries.

### *School differences*

The role of school factors in shaping the transition process has been neglected in transitions research, even though school differences in educational outcomes have been long recognised. Iannelli (2000) examined school differences in principal activity one to one and a half years after leaving the school system in Ireland, Scotland and the Netherlands. In particular, significant school differences were found in relation to access to further education and employment. The basis for school-level differences was found to differ across countries, with curriculum type acting as the main source of variation in the Netherlands while exam grades and social mix of the school were found to play a role in the Irish and Scottish contexts<sup>12</sup>.

### **3.6.3 Post-school training**

The discussion in section 3.6.2 has focused on young people's transitions into further education and (un)employment. However, analyses of the SLS databases have also yielded very rich information on young people's experiences of training after leaving school. This section considers two types of post-school training: apprenticeship and participation in youth programmes/schemes. The five countries considered differ in their prevalence of these forms of training, in the way participation in these forms of training has evolved over time and in the way they relate to the initial education system.

### *Apprenticeship*

Analyses of the Labour Force Survey have tended to treat apprentices as part of the initial education system (Müller et al., 1999), although other analyses have explicitly focused on the nature of this 'double status' (Welters and Wolbers, 1999). Due to the nature of the sample design of national transition surveys<sup>13</sup>, apprenticeships are

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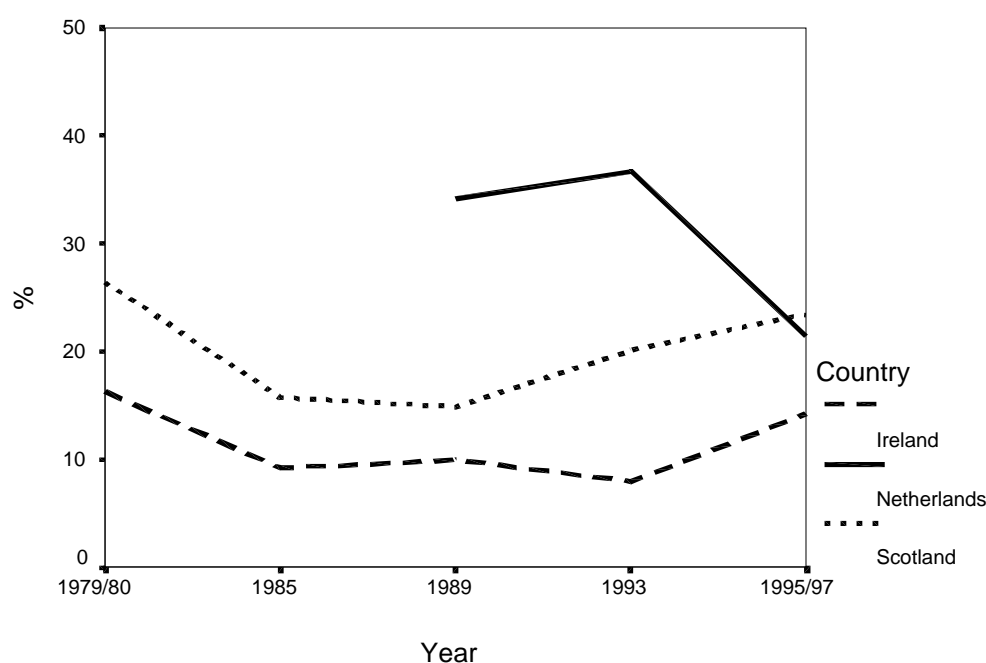
<sup>11</sup> Information on grades is not collected in the French survey precisely because it is not seen as a significant factor in access to employment.

<sup>12</sup> Between-school variation may also reflect differences in local labour market conditions but this could not be examined within the present study.

<sup>13</sup> The exception to this is France where there are two groups of apprentices: one part of the initial education system, the other those who re-enter apprenticeships after a period outside the educational system.

treated as transition 'outcomes' for the purposes of analysis. The nature of the apprenticeship system differs across the four countries studied<sup>14</sup> both in its structure and in participation levels. Among all school-leavers, apprenticeship levels are highest in France<sup>15</sup>, followed by Scotland and the Netherlands, and lowest in Ireland (Hartkamp and Rutjes, 2000a). Participation levels are somewhat more variable cross-nationally when only labour market entrants are considered. In addition, longer term trends in apprenticeship participation differ markedly across countries. In Ireland and Scotland, male apprenticeship rates contracted in line with declining employment during the 1980s and early 1990s, only recovering in the mid/late 1990s, while Dutch rates declined substantially during the mid-1990s (see Figure 3.11). Across all four countries, participation in apprenticeships is highly gendered, with significantly higher rates evident among young men (see section 3.6.4 below).

**Figure 3.11: Proportion of apprentices among labour market entrants**



Source: Hartkamp and Rutjes (2000b)

<sup>14</sup> For the time-period to which data relate, no formal apprenticeship system existed in Sweden.

<sup>15</sup> The French pattern may, at least in part, reflect the nature of the sample since general Baccalaureat leavers are not included.

Across the four countries, the apprenticeship system plays a distinctive role in relation to the initial education system and to the labour market. Apprenticeships form an alternative to school-based vocational education as a means of acquiring occupationally-specific skills in France and the Netherlands (Hartkamp and Rutjes, 2000a); those who have taken upper secondary vocational tracks are much less likely to enter apprenticeships in these countries (Iannelli and Raffe, 2000; Smyth, 2000a). In addition, apprentices in these systems tend to have lower educational attainment levels than those in employment. In contrast, in Ireland and Scotland apprenticeship operates as a type of post-school vocational training and apprentices tend to resemble the employed in their educational profile (Hartkamp and Rutjes, 2000a). The educational profile of apprentices has changed considerably over time, however. Over time, the relative advantage of upper secondary leavers in securing access to apprenticeships (compared with becoming unemployed) has declined over time. The reverse is true in Ireland where the relative representation of upper secondary leavers among apprentices increases over time (Smyth, 2000b). There are significant differences across countries and over time in the occupational positions of apprentices, with skilled manual work dominating apprenticeships to a particularly marked degree in Ireland. Apprentices enter a broader range of occupations in the Netherlands and France. In Scotland, the occupational range of apprenticeship has broadened somewhat over time but remains narrower than the range in the Netherlands and France (Hartkamp and Rutjes 2000a; 2000b).

#### *Youth programmes/schemes*

As with apprenticeship, the prevalence of youth programmes varies cross-nationally and over time. In the late 1990s, those on youth programmes made up a higher proportion of school-leavers in Scotland, France and Sweden than in Ireland or the Netherlands (Schröder, 2000). In Ireland, Scotland and Sweden, youth programmes emerged as a response to increasing unemployment among young people in the 1970s and 1980s. However, overall levels of provision in Scotland significantly exceeded those in Ireland to the point where many of the previously traditional employment opportunities for school leavers were replaced with youth programme places, a pattern that also became evident in the French situation. In the Netherlands, schemes were not introduced until later than in the other countries and overall levels of participation among young people in schemes have remained low.

It was hypothesised that the nature of labour market regulation, in combination with the prevalence of linkages from the education system to the labour market, would affect both the level and nature of youth programme provision. Thus, levels of provision would be higher where strictly regulated labour markets are combined with weak linkages from the education system to the labour market. The hypothesised relationship between regulatory frameworks, the education system and youth programme provision was only partially confirmed by the data (Schröder, 2000). Participants did, indeed, form a high proportion of 'at risk' youth (the unemployed plus those on programmes) in Sweden and France, two of the most regulated labour markets; however, participation levels are also high in Scotland where labour markets are more 'flexible'. This pattern may be explained by the emergence of youth programmes as another form of post-school vocational training in the Scottish context.

In the more regulated systems of France, Sweden and the Netherlands, the role of programmes appears to be to provide school-leavers with work experience while schemes play a role in providing general or specific training in the other countries considered. The educational profile of programme participants varies across countries. There is a negative selection among those 'at risk' in Scotland and Ireland, that is, programmes tend to be targeted on less qualified young people. In contrast, selection is positive in the Netherlands, with higher participation among upper secondary academic leavers<sup>16</sup>, and Sweden, with higher participation among all upper secondary leavers. In France, participation is not significantly related to prior education (Schröder, 2000).

#### **3.6.4 The social structuration of transition processes**

A number of research studies have indicated that transition processes have become 'individualised' over time with patterns becoming more differentiated in terms of the kinds of pathways taken by young people and less differentiated in terms of structural

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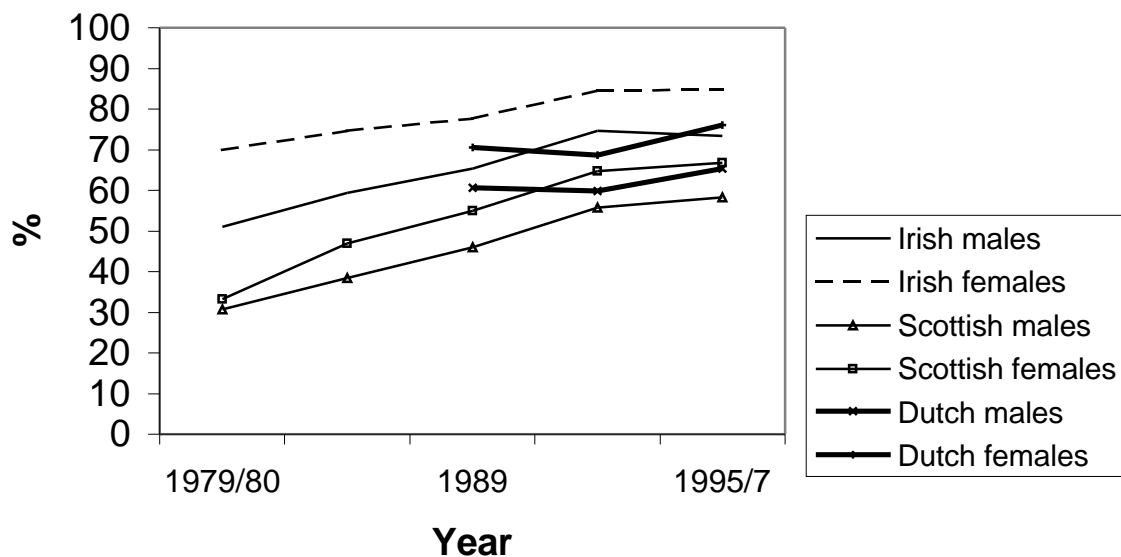
<sup>16</sup> This may, in part, reflect an age effect since age is used as a criterion for accessing many youth programmes in the Netherlands.

characteristics, such as gender and social class (see, for example, Roberts et al., 1994.). The potential for continuing differentiation between groups of young people was addressed by SLS papers in relation to three dimensions: gender, social class and ethnicity/national origin. The extent to which these issues could be explored varied across countries as not all national transition surveys contained information on these dimensions. However, analyses do highlight the importance of considering these sources of potential differentiation in transition processes.

## Gender

Educational and transition outcomes differ by gender in all five countries but the nature of these differences varies cross-nationally. Currently, young women are more likely to attain upper secondary qualifications than young men in all five of the countries studied. Furthermore, within the same examination level, they tend to outperform their male counterparts, with the exception of the Dutch situation (Smyth, 2000a). Young men are more likely to take vocational tracks than young women in all countries, except Scotland. However, the gender differences are somewhat reduced when only upper secondary leavers are considered. When a longer term perspective is taken, Ireland, Scotland and the Netherlands exhibit quite different trends in gender differentiation in educational attainment (see Figure 3.12). Scotland shows a widening gender gap (in favour of females) in educational attainment, Ireland shows a slight narrowing of the gender gap (with males catching up somewhat) while the Netherlands shows relative stability in the pattern of gender differences, albeit over a shorter time period (Smyth, 2000b).

**Figure 3.12: Gender differences in upper secondary completion over time**



Source: Smyth (2000b)

It might be expected that higher educational attainment among young women would translate into greater labour market advantage. Transition outcomes are, indeed, found to differ by gender but differently across countries. Among labour market entrants, young women are more likely to enter employment (relative to unemployment) than their male counterparts, even controlling for their higher educational levels; this pattern has been remarkably consistent over time (Smyth, 2000b). Across all countries, young women are much less likely to enter apprenticeships than young men, with even more marked gender differences apparent in the Irish context; this pattern would appear to relate to cross-national differences in the types of sectors which tend to employ apprentices (Smyth, 2000a; Hartkamp and Rutjes, 2000a). Contrary to some interpretations of the individualisation hypothesis, there is no evidence of a net reduction in gender differences in transition outcomes over time (Smyth, 2000b).

Higher educational levels among young women do not consistently translate into labour market advantage. Firstly, young women are found to be more highly concentrated in part-time work than their male counterparts and this concentration has increased over time<sup>17</sup> (Smyth, 2000b). Secondly, in Ireland, the Netherlands, France and Sweden, young women receive lower hourly earnings than young men, all else being equal. This pattern is not attributable to differences in occupational status or training situation (Smyth, 2000a).

Across all countries there is marked segregation in occupational and industrial allocation by gender. It was hypothesised that educational segregation into vocational tracks would result in higher levels of labour market segregation by gender in the Netherlands than in the other countries. In terms of industrial and occupational distribution, this is tentatively confirmed. However, industrial and occupational outcomes differ by gender even among those who have taken similar vocational tracks, indicating that labour market segregation is at best only partially mediated by

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<sup>17</sup> The extent to which this pattern reflects constraint or choice cannot be systematically explored using the SLS datasets. However, separate analyses indicate that those in part-time jobs in Ireland and the Netherlands are much more likely than their full-time counterparts to be actively looking for another job and this pattern is evident for both males and females.



the distribution of young men and women across different vocational tracks (Smyth, 2000a; 2000b). It is also worth noting that educational qualifications do not always have the same returns for males and females. In particular, taking a vocational track appears to have quite different influences on early labour market outcomes for males and females (Smyth, 2000a; 2000b). Taking a female-dominated track, for example, is associated with higher returns in terms of occupational status for males than for females.

### *Social class*

The potential impact of family background factors on transition processes was considered in relation to three countries: Ireland, Scotland and Sweden<sup>18</sup>. In Ireland, Scotland and Sweden, those from professional or other white-collar backgrounds are more likely to attain upper secondary qualifications, especially academic qualifications, than those from manual class backgrounds (Iannelli and Raffe, 2000). In keeping with previous research (Shavit and Blossfeld, 1993), the nature of social class differences in educational outcomes tends to be similar across countries and in neither Scotland or Ireland is there any evidence of a decline in the strength of the relationship between family background and educational attainment (Smyth, 2000b). Indeed, there is some evidence that having a parent in paid employment has become a more significant factor over time.

Given the relationship between socio-economic background and educational outcomes, family background will have an indirect effect on transition outcomes among young people. However, a direct effect is also evident. Entry to further education is sharply differentiated by social class in Ireland and Scotland (Smyth, 2000b), even controlling for examination grades (Iannelli, 2000). Social class background is also associated with employment chances and quality of jobs. Those from professional class backgrounds have higher employment chances, higher rates of entry to the finance, public administration and service sectors and higher rates of entry to professional and petty bourgeois employment than those from semi/unskilled manual backgrounds (Smyth, 2000b). The latter findings should be interpreted with some caution; further analysis is needed to explore whether these patterns hold when more detailed measures of educational attainment (such as exam grades) are taken into account.

### *National origin*

Ethnicity/national origin has been a neglected area in comparative transitions research. However, the availability of information on national origin in the French and

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<sup>18</sup> No information was available on parental characteristics in the Netherlands while the measures of parental occupation used in France were not comparable with those in the other countries.

Swedish surveys meant that this issue could be explored using the longitudinal database (Mansuy, Schröder, 2000).

In both France and Sweden, those born abroad and those with two parents born abroad are more likely than native-born youth to leave school on completion of compulsory education. This pattern persists, even when parental education and employment are taken into account. Foreign-born youth appear to be at a greater disadvantage in education in France than in Sweden, reflecting the selectivity of the French educational system. If immigrant young people in France and Sweden do stay in school, they are less likely to take vocational routes than their native-born counterparts which is likely to have consequences for their subsequent labour market position (see above).

In both France and Sweden, those born abroad are more likely to be unemployed and less likely to be employed than native-born youth five years after leaving school. This higher unemployment risk persists even when educational and family background are taken into account. Controlling for education, young people with immigrant parents are at a higher risk of unemployment in Sweden than in France. This pattern appears to reflect the greater signalling power of education in France.

In both countries, some ethnic groups are believed to be particularly exposed to discrimination on the labour market. In France, the group experiencing greatest disadvantage are young people of North African origin while in the Swedish case North African immigration is comparatively rare with greatest disadvantage evident among those of Asian (frequently Turkish), Latin American and other African origins. In France, youth of North African origin enter the labour market with a lower educational level than other groups. In both countries, young people belonging to these 'disadvantaged' groups have higher unemployment risks than other young people. These higher unemployment risks remain when variables controlling for the individual's education and social background are taken into account.

In summary, analyses of the integrated SLS database(s) indicate that social class, gender and national origin continue to play an important role in structuring transition

processes among young people and show no evidence of a decline in the significance of gender and social class as sources of variation.

### **3.6.5 Summary**

In summary, analyses of the integrated SLS database(s) yield significant insights into our understanding of institutional variation in transition processes among young people. Firstly, they allow us to explore the pathways taken by young people in different education, training and labour market contexts. Secondly, they highlight potential sources of heterogeneity among countries that are often considered similar in other respects. Thirdly, they indicate the importance of adopting a multidimensional approach to examining both educational and labour market outcomes. The pattern of cross-national variation can differ substantially depending on which educational or labour market outcome is considered. Fourthly, they allow us to explore differentiation among groups of young people in terms of their gender, socio-economic background and ethnicity. The analyses not only highlight substantive issues relating to institutional variation in young people's experience of the transition process but they also contribute to our understanding of the requirements for systematic comparative research. The following section highlights some of the lessons to be learned from the CATEWE experience.

## **3.7 NEW DATA COLLECTION**

### **3.7.1 Developing recommendations for future data collection**

The weaknesses of SLS data, discussed in the previous section, include the limits to their comparability arising from differences in the survey designs, data coverage and data definitions of the school leaver surveys. We had expected to encounter such problems, and in the CATEWE project proposal we promised to use the experience of constructing and using the SLS datasets to make proposals for 'the harmonisation of future school leavers' surveys' and for 'the design of a European-wide school leavers' survey'. The reports which presented the first analyses of LFS and SLS data included preliminary assessments of comparability and other issues arising from both data sources (Müller *et al.*, 1999; Hannan *et al.*, 2000). The project made presentations to the September 1999 workshop of the European Research Network on Transitions in Youth which discussed the strengths and weaknesses of SLS data for comparative research (Biggart and Raffe, 2000; Smyth and McCoy, 2000). On behalf of the

project, the University of Edinburgh obtained funding from the Accompanying Measures programme for an International Workshop on Comparative Data on Education-to-Work Transitions, held at the OECD in Paris in June 2000 in association with Network B (on transitions) of the OECD's Educational Indicators Project. The workshop was attended by policy-makers, statisticians and researchers from eighteen countries as well as from the European Commission, EUROSTAT, CEDEFOP and the OECD itself. It received six presentations from members of the CATEWE project, as well as presentations from other European researchers, EUROSTAT, the European Commission (DG Education and Culture), representatives of national governments and statistical offices, participants in Network B, and members of the OECD associated with its OECD's Thematic Review of the Transition from Initial Education to Working Life and with the proposed Longitudinal Option to its 2003 PISA survey. A separate report on the workshop is in preparation. One of the CATEWE papers to the workshop was an initial draft of the CATEWE project's recommendations on strategies for cross-national data. This draft was substantially revised after the workshop and presented to the September 2000 workshop of the European Research Network on Transitions in Youth. After further revision it was submitted to the Commission (Raffe, 2000).

Drawing on its own experience, and the various discussions described above, the project defined a set of requirements for a data and indicator system on education-to-work transitions. Such a system should

- provide regular data, that are comparable over time, as a basis for measuring trends and for analysing the impact of changes in policy and in institutions;
- cover all stages of the transition process, including transitions within the upper stages of education and training as well those during the early years in the labour market and through intermediate or dual statuses; and it should allow for 'reverse' transitions from work to education as well as *vice versa*;
- provide longitudinal (flow) data that track individuals through all these transitions, in order to identify individual itineraries and in order to analyse the determinants of successful transitions;
- include subjective data collected before key decisions on transition are made;

- provide data on the processes of transition as well as the starting points and outcomes;
- provide data on multiple outcomes of transition, including learning outcomes as well as a variety of labour-market outcomes;
- provide data on key family and household transitions (leaving the parental home, forming a stable partnership, becoming a parent);
- include the necessary data (gender, social background, ethnicity/nationality) for the measurement of equity issues;
- cover a full cross-section of young people, so that inequalities can be measured against the full cohort, and as a basis for a system-wide perspective;
- be sensitive to national differences in the institutions and processes of transition;
- provide data that are formally comparable across countries, in the sense that populations, variables and classifications are based on the same formal definitions;
- provide data that are substantively comparable across countries: this means, among other things, that comparisons should not all be related to a single transition event which may not have the same significance in each country; and
- include information on national contexts (economic conditions, labour markets, education and training systems, government structures, etc) with which to interpret these comparisons.

When the current main data sources on transition (SLS, LFS and administrative data) are evaluated against these criteria, not surprisingly none fully satisfies all the requirements. Moreover, none can easily be adapted or modified to do so. In particular, there is limited scope for harmonising national school leaver surveys, which differ widely in design and content, and which serve distinct national purposes. The project outlined a strategy for ‘partial harmonisation’ of national surveys, based on a set of criteria to which they should be encouraged to converge when this does not conflict with national priorities.

The project’s main proposal for future data-collection strategies is that they should be based on the complementarity of different data sources. It is not necessary for each data source individually to satisfy all the criteria listed above, but collectively they

should do so. The project proposes that a new European-wide survey should be designed to fill the main gaps in existing data sources. These gaps are:

- the collection of ‘equity’ variables (gender, social background, ethnicity/nationality) on a consistent basis;
- data on itineraries within the education and training system;
- subjective data collected prior to key decision points; and
- ‘substantive comparability’ between countries: that is, comparability not based on a single transition event. The typical sequence and nature of transitions varies across countries, and no single transition event can have exactly the same significance within this sequence in different countries.

The project considered three possible designs for a cross-national survey: a transition survey (based on a single transition such as leaving secondary school), a prospective age cohort survey and a retrospective age cohort survey. A cross-national transition survey – with a design similar to the school leavers' surveys in the CATEWE project – could not easily fill the gaps listed above. Transition surveys tend not to collect details of transitions within the education system; they can only collect subjective data on reasons for transitions retrospectively (and therefore inadequately); and because they are based on a single transition they afford limited substantive comparability. The CATEWE experience illustrated this problem: the definition of ‘leaving secondary school’ embodied in the surveys varied across the five SLS countries. A cross-national transition survey would not therefore fill the gaps in existing data sources. The project recommended a prospective age cohort survey, which might be replaced by, or amalgamated with, the proposed longitudinal survey to follow up the PISA survey of 15 year-olds in 2003. Our recommendations are discussed in chapter 4 below.

### **3.7.2 Support for new surveys**

A further methodological aim of the project was to provide scientific support for new national transition surveys. Two such surveys were associated with the project, with the research teams responsible being engaged as sub-contractors.



In Belgium, SONAR – an interdisciplinary research-team with links to four Flemish universities and formed on the initiative of the Policy Co-ordination Unit of the Department of Education of the Flemish Community – surveyed a representative sample of 3,000 Flemish 23 year olds (born in 1976), sampled from the national register. Face-to-face interviews took place between October 1999 and February 2000. The data collected included details of young people's social background, secondary and tertiary education and experiences in the labour market. A monthly calendar recorded jobs and unemployment spells from the end of compulsory education at 18 years. It is planned to survey a fresh cohort of 23 year olds in 2001 and to contact the 1976 cohort again in 2002 (at age 26).

Association with CATEWE was instrumental in developing the SONAR survey in several ways.

- Even if it was clear from the start that the institutional peculiarities of the Flemish educational system, most notably the fact that compulsory schooling age is set at 18, prevented a simple replication of a framework as used in one of the existing national surveys, the experience of the CATEWE components allowed SONAR to decide about the format the Flemish survey on the basis of detailed information and comparison with regard to sampling population, interviewing methods, types of questionnaires or lists of variables.
- Participating in the meetings of the CATEWE team was important in this respect. Detailed discussions about the construction of internationally comparative databases on the basis of existing surveys gave SONAR much insight in the way questions could (or ought) to be phrased in order to make variable construction easier (and to allow for eventual international comparability). Early in the process of setting up the SONAR framework, members of the CATEWE team were invited to a workshop in Brussels to address researchers, representatives of the Flemish Department of Education and representatives of the funding agencies to share their experience and to advise on possible ways to set up a school-leaver or age-cohort survey.

- Its association with CATEWE also allowed SONAR to link to the wider European Research Network on Transitions in Youth. SONAR hosted the 7<sup>th</sup> Annual Workshop of TIY (Antwerp, 7-10 September 2000). First results of the Flemish survey were presented at the final day of this workshop with members of the CATEWE project acting as chair and discussant.
- Given the timing of the SONAR survey and the differences in design, the Flemish survey being neither a one-year leaver survey nor a five-year follow up, it has not yet been possible to construct a Flemish part to add to the CATEWE database. However, once the integration of the data-sets, generated on the basis of both parts of the interview (calendar and questionnaire), is completed, SONAR plans to construct a database based as closely as possible on the CATEWE variable lists.

In Portugal, the CATEWE project was associated with the Graduates' Integration Pathways Observation System (ODES). This project was run jointly by four agencies: two within the Ministry of Labour and Solidarity (INOFOR – Institute for Innovation in Training; DETEFP – Department of Statistics for Labour, Employment and Vocational Training), and two within the Ministry of Education (DGESup – General Directorate of Higher Education; DAPP – Department of Forecasting and Planning).

In the initial phase of the project, a telephone survey was carried out among graduates who had completed training courses at Polytechnics and Universities (both state and private) in 1993/94, in one of the following six areas: Economics, Management, Engineering, Accountancy, Pre-School and Primary School Teaching.

In Portugal, Higher Education institutions inform the Ministry of Education (General Directorate of Higher Education) how many students complete their respective courses each year. Having completed their training course in the 1993/94 academic year was one of the criteria for graduates to be included in the survey. According to official figures, a total of 10,040 students graduated in 1993/94. After updating telephone numbers and addresses, 7,680 graduates were found to be contactable. Of these 7,680, 5,288 actually took part in the survey, representing 53 per cent of those who graduated in 1993/94.

The survey was undertaken on the basis of an analytical model encompassing what were regarded as four key research areas in a study of the socio-vocational integration pathways of young people in general, and of graduates in particular: their social and educational background, professional trajectory, and their views on, and expectations for, their educational and vocational pathways.

The INOFOR team attended nearly all the CATEWE project's meetings and hosted one of them in Lisbon in November 1998. Timing differences meant that the results of the Graduates Survey could not be incorporated in the School Leavers' Survey group's comparative database. On balance, however, participation within the CATEWE project was positive, in two ways particularly:

1. The debate that ensued at the meetings resulted in both a better understanding of each country's education system and employment market specificities, and a sharing of information about difficulties encountered in building variables that, while suitable for international comparison, would still reflect the particularities of the different national realities.
2. Taking part in the CATEWE project also led to interaction with the European Research Network on Transitions in Youth, the next meeting of which will be hosted by INOFOR in Lisbon.

This chapter has outlined the main results of the CATEWE project. The implications of these findings for policy and future research are discussed in the following chapter.

## **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 work<sup>19</sup>; 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 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

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<sup>19</sup> 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

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 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

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

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.

## **CHAPTER FIVE: DISSEMINATION OF PROJECT RESULTS**

A number of complementary strategies were adopted within the life-time of the CATEWE project. Papers based on the conference were presented at a range of conferences at both national and European levels. These included the European Research Network on Transitions in Youth annual workshop, the European Socio-Economic Research Conference and the European Sociological Association annual conference. Furthermore, the CATEWE team organised an International Workshop on Comparative Data on Education-to-Work Transitions, held at the OECD in Paris in June 2000 in association with Network B (on transitions) of the OECD's Educational Indicators Project. The workshop enabled us to disseminate our work to policy-makers, statisticians and researchers from eighteen countries as well as from the European Commission, EUROSTAT, CEDEFOP and the OECD itself. It also gave us the opportunity to contribute to the debate on proposals for future data harmonisation and develop links with interested parties.

A number of the papers presented at conferences have been published in conference proceedings. In addition, articles on the project findings have been published in a number of policy-related journals and CATEWE contributions will be part of a forthcoming volume on *Key Data on Vocational Training* along with a CEDEDOP publication on research on vocational training. The CATEWE working papers have also been made available on our web-site (<http://www.mzes.uni-mannheim.de/projekte/catewe/>). Details of conference papers and publications are given in Table 5.1 below.

At present, a book proposal on the Labour Force Survey analyses is being circulated to relevant publishers. It is intended to submit papers on the School Leaver Survey analyses to scientific journals. We also intend to use existing links among project partners to engage in national-level dissemination to policy-makers and other interested parties.

**Table 5.1: Papers and publications by the CATEWE project team**

<i>Author(s)</i>	<i>Title of paper and conference/publication</i>
<i>1. Publications</i>	
Biggart, Andy and Raffe, David (2000)	'Educational backgrounds and transition outcomes in four European countries: A comparison of school leavers' destinations in France, Ireland, the Netherlands and Scotland', pp.113-131 in T. Hammer (ed) <i>Transitions and Mobility in the Labour Market: Proceedings: Workshop, September 2-5 1999, Oslo, European Network on Transitions in Youth</i> , Oslo: NOVA.
Brauns, Hildegard, Gangl, Markus and Scherer, Stefani (1998)	'Education and Unemployment: Patterns of Labour Market Entry in France, the United Kingdom and West Germany', pp. 287-312 in David Raffe, Rolf van der Velden and Patrick Werquin (eds.), <i>Education, the Labour Market and Transitions in Youth: Cross-National Perspectives</i> . Proceedings of the 1998 European Workshop of the European Research Network on Youth. Edinburgh: Centre for Educational Sociology.
Couppié T., Mansuy M. (1998)	'The characteristics of youth employment in Europe: a typology based on the Labour Force Surveys', pp. 1-13 in David Raffe, Rolf van der Velden and Patrick Werquin (eds.), <i>Education, the Labour Market and Transitions in Youth: Cross-National Perspectives</i> . Proceedings of the 1998 European Workshop of the European Research Network on Youth. Edinburgh: CES.
Couppié T., Mansuy M. (2000)	'The situation of Young labour-market entrants in Europe', <i>Céreq, Training and employment</i> , n°39, April-June.
Couppié T., Mansuy M. (2000)	'La place des débutants sur les marchés du travail Européens', <i>Céreq, Bref</i> n°154, May.
Gangl, Markus (2000)	'European Perspectives on Labour Market Entry: A Matter of Occupationalised versus Flexible Arrangements in Labour Markets?', pp. 417-452 in Torild Hammer (ed.), <i>Transitions and Mobility in the Youth Labour Market</i> . Oslo: NOVA.
Gangl, Markus, Hannan, Damian, Raffe, David and Smyth, Emer (1998)	'CATEWE – A Comparative Analysis of Transitions from Education to Work in Europe', <i>EURODATA Newsletter</i> , 8 (Autumn), 11-15.
Hannan, Damian F. et al. (forthcoming)	'The effects of national institutional differences in education/training to work transitions in Europe: a comparative research project (CATEWE) under the TSER programme', in <i>Second Report on Vocational Research in Europe</i> , CEDEFOP.
Iannelli, Cristina (2001)	<i>The Effect of Schools on Young People's Transitions: A Comparative Perspective</i> . CES Briefing. University of Edinburgh, forthcoming.
Mansuy, Michèle, Couppié, Thomas, Fetsi, Anastasia, Scatoli, Carlo Mooney, Paul, van den Brande, Godelieve	<i>Key Data on Vocational Training in Europe: The Transition between Education and Working Life</i> , Volume 3, forthcoming spring 2001, European Commission.
Müller, Walter (1999)	'Wandel in der Bildungslandschaft Europas' [Changes in European educational systems.], <i>Gegenwartskunde</i> , 1999: Sonderband 11:

<i>Author(s)</i>	<i>Title of paper and conference/publication</i>
	<i>Deutschland im Wandel - Sozialstrukturelle Analysen</i> , pp. 337-356
Müller, Walter (2000)	'Bildung in Europa. Zwischen Tradition und Innovation' [Education in Europe. Between tradition and innovation.], <i>FORUM - Forschung</i> Universität Mannheim, 2000: pp. 34-41
Müller, Walter	'Education and Labour Market Outcomes: Commonality or Divergence?' In Max Haller (ed.) <i>The Making of the European Union. Contributions of the Social Sciences</i> . Berlin: Springer, 2001, p 287-308.
Müller, Walter, Markus Gangl and Stefani Scherer (forthcoming)	'Übergangsstrukturen zwischen Bildung und Beschäftigung' [The structure of transitions from school to work.], Forthcoming in Matthias Wogens and Reinhold Sackmann (eds.), <i>Bildung und Beruf</i> . Weinheim / Munich: Juventa, 2001.
Müller, Walter and Wolbers, Maarten (2000)	'Educational attainment of young people in the European Union: cross-country variation of trends over time', pp. 263-302 in Torild Hammer (ed.), <i>Transitions and Mobility in the Youth Labour Market</i> . Oslo: NOVA.
Raffe, David (1999)	'A comparative analysis of transitions from education to work in Europe', pp. B/4-B/7 in <i>The European Socio-Economic Research Conference: Conference Reader, Brussels 28-30 April 1999</i> , European Commission.
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