European Foundation for the Improvement of Living and Working Conditions



# Mapping youth transitions in Europe



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### **Country codes**

### EU28

AT	Austria
BE	Belgium
BG	Bulgaria
СҮ	Cyprus
cz	Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
EL	Greece
ES	Spain
FI	Finland
FR	France
HR	Croatia
HU	Hungary

IE	Ireland
IT	Italy
LT	Lithuania
LU	Luxembourg
LV	Latvia
МТ	Malta
NL	Netherlands
PL	Poland
РТ	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia
UK	United Kingdom

### **Country groups**

EU27 – 27 EU Member States prior to enlargement in 2013 EU28 – EU27 plus Croatia which joined in 2013

### Country clusters referred to in Chapters 3 and 4

Apprenticeship: Austria and Germany Baltic: Estonia, Latvia and Lithuania Eastern European: Bulgaria, Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia English-speaking: Ireland and the UK Mediterranean: Cyprus, Greece, Italy, Malta, Portugal and Spain Nordic: Denmark, Finland, Netherlands and Sweden Western continental: Belgium, France and Luxembourg

### **Country clusters referred to in Chapter 5**

Central and Eastern European (CEE): Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia Continental: Austria, Belgium, France, Luxembourg and the Netherlands English-speaking: Ireland and the UK Mediterranean: Cyprus, Greece, Italy, Portugal and Spain Scandinavian: Denmark, Finland and Sweden

### **Executive summary**

### Introduction

Young people in Europe continue to experience great difficulties in the labour market. While the youth unemployment rate has started to fall in a few Member States, overall 23% of young job-seekers aged 15–24 in the EU28 could not find a job in January 2014. The number of young people who were not in employment, education or training (the NEETs group) in 2012 increased to 14.6 million, representing 15.9% of the entire population of those aged 15–29.

The current economic outlook and the collapse in demand for young workers have hindered the chances of young people successfully moving from school to work. Finishing education should be an exciting moment in the lives of young people, as they set out to embark on a career after years of formal education. However, this transition is now fraught with insecurity, as getting a first job is a major challenge and can prove a lengthy process in some Member States. Moreover, the prolonged jobs crisis may have also forced young people to be less selective about the type of job they are prepared to accept. Part-time employment and especially temporary contracts are much more common among younger workers, with the risk that this may in some cases put on hold their plans for the future and their transition into adulthood.

This report analyses the labour market situation of young people in Europe, focusing in particular on the school-to-work transition, in terms of the amount of time it takes to start the first job after education, while also monitoring the more general transition to adulthood, the age at which young people leave the parental home. It also investigates the tenacity of many young people who against the odds continue to be employed during the crisis, as well as charting their transitions from temporary to permanent contracts. Lastly, the report analyses policy measures implemented by selected Member States in support of school-to-work transitions.

### **Policy context**

Supporting young people's successful transition from school to work has become central to the European policy agenda. In 2012, the European Commission proposed a range of measures – the Youth Employment Package – aimed at combating the 'unacceptably high levels' of youth unemployment and social exclusion among young people. Acknowledging that cyclical and structural problems in European labour markets have contributed to making school-to-work transitions more lengthy and difficult, the Commission appealed to Member States to take action to help young people find jobs.

The Commission's proposal to the Council of the European Union to implement a Youth Guarantee in all Member States was adopted in April 2013. This is designed to shorten the transition period to employment and reduce prolonged absences from the labour market, education or training. While the debate is now focused on enabling young people to move into the labour market, the impact of this on other transitions to adulthood needs to be addressed.

### **Key findings**

### High cost of unemployment and disengagement

While people generally in all Member States have been badly affected by the economic crisis, young people have suffered the most in terms of employment prospects and the risk of disengagement. In the summer of 2013, unemployment for those aged 15–24 rose to over 23% in the EU28, one of the highest levels ever recorded by Eurostat.

Despite the huge variation in unemployment figures among Member States, 18 countries have recorded their highest levels of youth unemployment since the onset of the crisis, including nine which recorded this maximum value in 2013.

Moreover, with 15.9% of the overall population aged 15–29 not in employment, education or training in 2012, the loss to European economies of having such a large proportion of NEETs was estimated at €162 billion – an increase of almost €10 billion in comparison with 2011.

### Variation in school-to-work transitions

The impact of these statistics can be fully understood in the context of youth transitions. Although transitions are not easily measured, the report's macro analysis revealed that the different events in young people's transitions to adulthood, such as leaving home and becoming parents, are strongly associated with the economic independence achieved with a successful school-to-work transition.

Those countries with quicker and more successful school-to-work transitions are those where young people leave home earlier. In this regard, seven common patterns were identified among Member States. At one end of the spectrum, the 'Nordic' and 'Apprenticeship' (Austria and Germany) models are characterised by a more rapid transition to adulthood and a quicker transition from school to work. At the other end of the spectrum, in the 'Eastern European' and 'Mediterranean' models, difficult and problematic school-to-work transitions are associated with very slow and late transitions to independence and autonomy.

In general, countries with a higher integration of school and work, through apprenticeship programmes or through more young people effectively combining school and early labour market experiences, display a smoother and quicker transition from school to work.

### Challenge for young people to stay in jobs

Once young people acquire their first labour market experience, they still need to gain a solid labour market attachment with good career prospects to complete their transition into adulthood. Unfortunately, the analysis reveals that during the crisis the ability of young people to stay in employment has worsened, with negative consequences for their chances of gaining permanent employment.

Moreover, the research found that young people employed on temporary contracts had a lower chance of staying in employment, with less than a quarter succeeding in getting a permanent contract in the period investigated.

### **Policy pointers**

Member States have recently been particularly engaged in designing and implementing policy measures to support all young people in their transition from school to work. While it is often difficult to evaluate the effectiveness of these efforts, due to the lack of any systematic monitoring, the case studies for this report identify a set of key factors that contribute to the effectiveness of these policies and shed light on how school-to-work policies could be improved.

- When designing policies, it is crucial to recognise that young people are a very diverse group with different characteristics and often multiple needs. Policies, while sharing the same aim, should have different approaches and be tailored to individual needs, with personalised support from personal advisers who seek to optimise the match between the individual and any intervention.
- Full coordination of all those involved in school-to-work transitions is one of the vital determinants of successful programmes. However, such coordination is very difficult to achieve because of the different lines of responsibilities and separate budgets.
- In all but a few countries, there is no systematic monitoring of the results of these programmes in order to determine their success. There is, however, much more attention being paid to the need for this and more robust results can be expected in this field.
- Macroeconomic factors have a critical influence on the success of policies in this field, as they may restrict funding for services and job creation, as well as resulting in steeper competition among job-seekers.

# Youth labour market in 2013

Despite several calls by the European Commission and the European Parliament for Member States to take action against youth unemployment in 2012, young people still struggle to find a place in the labour market. There is no doubt that it is difficult to be young in the labour market today (ILO, 2013). As the global economic climate remained uncertain, the expected recovery, if any, turned out to be very weak in some EU Member States, further worsening the youth job crisis.

For this reason, the labour market for young people in 2013 remained very poor. Unemployment for those aged 15–24 years has increased steadily since the onset of the crisis in 2008 and is now at one of the highest levels ever recorded by Eurostat – 23.4% on average in the EU28 in November 2013. This is 8.2 percentage points higher than six years ago. Although there is a large variation in youth unemployment rates between Member States, ranging from below 10% in Austria and Germany, to above 55% in Greece and Spain, the situation for young people has worsened in most countries (Table 1). With the exception of Germany, all Member States have seen significant increases in their levels of youth unemployment since the onset of the crisis, with unemployment rates at least doubling between the months of November 2007 and 2013 in Cyprus, Spain, Ireland, Greece, Latvia, Estonia, Lithuania, the Czech Republic, Bulgaria, Croatia, Italy and Slovenia.

Table 1 shows the years when Member States experienced their highest youth unemployment. Eight Member States recorded their peak in 2013 (Croatia, Cyprus, Greece, Italy, Luxembourg, Portugal, Slovenia and Spain). The Baltic countries (Estonia, Latvia and Lithuania) registered their highest unemployment rates in 2010, since they were among the countries hit hardest during the crisis. Nevertheless, they were also among the first to implement quick and hard reforms and their youth labour markets are recovering, which is in clear contrast to other countries. Some other countries reached their record youth unemployment rates in 2009 (Sweden), 2011 (Romania and the UK) and 2012 (France, Hungary and Ireland). The 11 remaining countries experienced record levels of youth unemployment before the crisis that took place from 2008 onwards.

Country	Total: Age 15–24	Age 15–24 (Men)	Age 15–24 (Women)	Relative change November 2007– November 2013 (%)	Historical maximum level (%)	Date of maximum rate	Total: Age 25–74
AT	9.7	8.5	11.1	24.4	12.1	01/2004	4.3
BE	23.8	24.6	22.5	27.3	24.8	02/1984	7.1
BG	28.9	32.9	23	110.9	38.8	05/2001	11.8
CY	40.3	44.5	36.4	307.1	40.3	10/2013	14.7
CZ	19.2	19.2	19.1	134.1	21.6	10/2004	5.9
DE	7.7	8.3	7.1	-33.0	16.5	03/2005	4.8
DK	13	13.9	12	75.7	17.4	04/1983	5.8
EE	22.7	21.7	23.7	160.9	40.3	03/2010	7.8
EL	58.3	53.8	63.9	167.4	60.8	02/2013	25.7
ES	55.3	55.8	54.8	188.0	56.5	08/2013	23.9
FI	19.6	22.2	17.2	20.2	35.8	03/1994	6.6
FR	25.5	24.1	27.1	34.9	26.3	11/2012	9.2
HR	49.8	50.5	48.8	108.4	50.9	04/2013	15.6
HU	25.1	24	26.6	28.1	29.5	09/2012	8.1
IE	25.4	27.1	23.5	170.2	31.3	02/2012	10.8
IT	41.7	40.1	43.7	104.4	41.7	11/2013	10.7
LT	20.4	22.9	17	137.2	36.2	08/2010	10.1
LU	20.6	20.7	20.5	32.1	20.6	10/2013	5.1
LV	23.5	22.6	24.7	164.0	39	01/2010	10.3
MT	14.5	15.5	13.1	12.4	19.9	11/2001	5.1
NL	11.4	10.9	12	70.1	13.5	09/1995	6.1
PL	27.4	26	29.5	45.7	43.7	10/2002	8.5

Table 1: Youth unemployment rates (age 15–24), November 2013

Country	Total: Age 15–24	Age 15–24 (Men)	Age 15–24 (Women)	Relative change November 2007– November 2013 (%)	Historical maximum level (%)	Date of maximum rate	Total: Age 25–74
PT	34.8	33.4	36.3	74.9	40.4	02/2013	13.9
RO	23.6	23.5	23.8	16.3	24	07/2011	5.9
SE	24.1	25.9	22.3	30.3	27.8	08/2009	5.6
SI	23.3	23.2	23.5	104.4	25.2	04/2013	8.8
SK	32.9	34	31.1	63.7	39.9	06/2001	12.4
UK	20	22.4	17.2	47.1	22.2	10/2011	5.1
EU27	23.3	23.7	22.7	54.3	23.5	01/2013	9.4
EU28	23.4	23.9	22.8	53.9	23.7	01/2013	9.4

*Note:* Data for Romania refer to the month of September instead of November. *Source:* Eurostat, seasonally adjusted data

It is important to highlight that there are several differences connected to gender among Member States. As shown in Eurofound's earlier report on NEETs, at the European level, women have been historically more affected than men by unemployment (Eurofound, 2012a). Despite a converging trend at EU level, the female youth unemployment level in 2007 was still slightly higher than male youth unemployment. However, in 2008, as the crisis hit mainly male-dominated sectors (such as the construction sector) the situation reversed, with male youth unemployment rate continued to be higher than female youth unemployment. The male unemployment rate continued to be higher than that of women until 2010 when the two rates converged again. From 2012, as the crisis started to bite again, male youth unemployment, once more, increased more sharply than the female rate. In November 2013, the EU28 male youth unemployment rate reached 23.9% while the female youth unemployment rate was 22.8%.

### Not in employment, education or training

The NEET concept, referring to those young people who are not in employment, education or training, is a broader measure of youth exclusion as compared with the youth unemployment indicator. The acronym NEET first emerged in the UK in the late 1980s, and, as pointed out by Eurofound research, the NEET category contains a variety of subgroups ranging from the conventionally unemployed to those who are unavailable for work because of family responsibilities or disabilities (Eurofound, 2012a). It also includes discouraged young workers and disengaged youth. Despite this heterogeneity, young NEETs share some fundamental characteristics; they are more likely to have a low educational level, difficult family environment or immigration background, as well as having a status where they are not accumulating human capital through formal channels of education, training or employment.

As a consequence of the crisis, the number of NEETs increased again in 2012. According to Eurostat, in Europe in 2012, almost 7.8 million young people aged 15–24 were not in employment, education or training. This is equivalent to 13.2% of the total population of young people of that age compared with 12.9% recorded in 2011. An additional 6.8 million of those aged 25–29 were recorded as NEET meaning that, in 2012 in Europe, more than 14.6 million people under 30 were not in employment, education or training (15.9% of the overall youth population of that age).

The highest NEET levels were recorded in Bulgaria, Greece, Ireland, Italy and Spain (Table 2). These levels were 18% or more among those aged 15–24 and 21% or more among those aged 15–29. Conversely, Austria, Denmark, Luxembourg and the Netherlands recorded NEET levels lower than 7% or 8% among those aged 15–24 or 15–29 respectively. However, it is worth noting that Luxembourg and the Netherlands, together with Greece and Slovenia, are among those countries that recorded the highest increase in NEETs, compared with 2011.

Eurofound's 2012 report on NEETs investigated the enormous social and economic losses for European societies arising from the failure to integrate such a large cohort of young people into employment (Eurofound, 2012a). It took into account two costing frameworks: 'public finance costs' and 'resource costs' (see Table 2). The first one attempted to identify the impact on public finances arising from the NEET group and took into account the extra welfare payments (such as unemployment benefits, sickness and disability benefits and education-related allowances). The estimate of 'total resource costs' included figures for the loss to the economy and welfare and was measured as lost earnings (such as employee and self-employment income, non-cash employee benefits, goods produced for own consumption, and pensions from private plans) (Eurofound, 2011e and 2012a). The analysis was performed using the 2008 European Union Statistics on Income and Living Conditions (EU-SILC). Results were then updated and discounted to 2011 values using data from Eurostat's EU Labour Force Survey (EU-LFS). The Eurofound calculations put the economic loss caused by young people not being in the labour market at €19 billion in 2008, and €153 billion in 2011 (Eurofound, 2012a).

Following the same methodology, the figures show that the economic loss due to the inability to integrate NEETs into the labour market increased to 662 billion in 2012. This corresponds to 1.26% of EU GDP. In absolute terms, in 2012, the cost was highest in Italy, at 63.2 billion (62.6 billion more than 2011), followed by France at 62.2 billion (61.1 billion more than 2011), the UK at 68.7 billion (60.3 billion more than 2011) and Spain at 61.3 billion (6.6 billion more than 2011). However, in comparison with 2011, the annual cost decreased in Austria, Ireland, Latvia and Lithuania, and remained almost unchanged in Germany and Sweden.

As a share of GDP, the economic loss due to the non-participation of young people in the labour market increased at the European level from 1.21% in 2011 to 1.26% in 2012. At the Member State level, in Greece the cost of youth disengagement reached nearly 4.3% of GDP (almost 1 percentage point more than 2011) while in Bulgaria the cost marginally decreased to 3.3% of GDP. In Cyprus, Hungary, Ireland, Italy, Latvia and Poland, the cost was still more than 2% of GDP. However, in Austria, Bulgaria, Estonia, Germany, Ireland, Latvia, Lithuania and the UK, the cost of NEETs decreased in 2012. In Latvia, the cost decreased by almost 0.5 percentage points, from 2.7% to 2.2%. In Denmark, Germany, Luxembourg and Sweden, the loss, as a share of GDP, was below 0.6%. It is important to note that in 2012 the Netherlands had fallen outside the group of the countries with a cost around the level of 0.6% of GDP, as it rose to nearly 0.8% of GDP.

As indicated in Eurofound's study on NEETs, although NEET may be an all-encompassing concept that captures diverse subgroups, young people who are categorised as NEET also share a set of similar characteristics or vulnerabilities. In this regard, the use of such a concept attracts attention to the multifaceted nature of young people's problems. It helps to focus the attention of policymakers and researchers on all patterns of vulnerability of young people, trying to integrate particular subgroups such as young mothers and those with disabilities into the framework rather than further marginalising them by the use of the traditional 'inactive' label (Eurofound, 2012a; Furlong, 2006).

Governments and social partners are right to set targets to reduce the overall NEET levels, but they must still address the different needs of the various subgroups which require distinct forms of policy intervention in terms of welfare or training provision. Policies would then involve a range of different initiatives targeting various NEET subgroups; indeed, the axiom 'different people, different needs' seems to have been accepted in the policy debate, as indicated, for example, by the recent Council Recommendation on establishing a Youth Guarantee adopted in April 2013. This is an important step for the design and implementation of policies that will effectively re-engage young people in the labour market (Eurofound, 2012b).

Country	2012 NEET rate 15–24 (%)	2011 NEET rate 15–24 (%)	2012 NEET rate 15–29 (%)	2011 NEET rate 15–29 (%)	2012 unit public finance cost (€)	2012 unit resource cost (€)	2012 unit total cost (€)	2012 total public finance cost (€)	2012 total resource cost (€)	2012 total cost (€)	% GDP	Variation % GDP 2011–2012
АТ	6.5	6.9	7.8	8.2	1,262	16,405	17,666	221,952,377	2,885,485,219	3, 107, 437, 597	1.01	-0.05
BE	12.3	11.8	14.4	13.8	3,930	18,767	22,697	961,275,335	4,590,282,775	5,551,558,110	1.48	0.07
BG	21.5	21.8	24.7	24.7	4	2,095	2,099	2,340,794	1,310,208,172	1,312,548,966	3.31	-0.01
ç	16	14.6	17.3	14.8	435	10,822	11,257	19,587,534	487,343,352	506,930,887	2.83	0.46
Ŋ	8.9	8.3	12.9	12.2	452	5,018	5,471	161,087,869	1,787,308,761	1,948,396,630	1.28	0.12
DE	7.7	7.5	9.6	9.7	2,133	12,635	14,767	2,255,461,851	13, 362, 160,806	15,617,622,657	0.59	-0.01
DK	6.6	6.3	8.2	7.6	5,768	17,374	23,142	352,833,689	1,062,743,508	1,415,577,197	0.58	0.04
EE	12.5	11.8	15.3	14.9	151	6,314	6,465	7,666,728	321,200,090	328,866,817	1.93	-0.00
EL	20.3	17.4	27.1	23.2	85	10,924	11,008	63,729,617	8,216,478,117	8,280,207,733	4.27	0.89
ES	18.8	18.5	22.6	21.1	1,004	10,712	11,716	1,487,554,904	15,871,473,309	17,359,028,213	1.69	0.18
H	8.6	8.4	10.4	10	1,901	12,828	14,730	280,539,922	1,892,827,880	2,173,367,802	1.13	0.06
Ħ	12.2	12	15	14.5	1,108	11,835	12,943	1,994,129,051	21,300,051,340	23,294,180,390	1.15	0.04
HR	16.7	15.7	18.8	18	n.a	n.a	n.a	n.a	n.a	n.a	n.a.	n.a.
Я	14.7	13.3	18.8	17.7	264	5,066	5,330	117,817,729	2,262,484,690	2,380,302,419	2.44	0.30
IE	18.7	18.8	21.3	22	2,474	15,359	17,832	590,966,855	3,669,239,563	4,260,206,418	2.60	-0.06
Ħ	21.1	19.8	23.9	22.7	139	14,706	14,845	329,239,106	34,893,949,812	35,223,188,918	2.25	0.18
Ľ	11.1	11.5	13.9	14.4	148	4,162	4,310	10,596,079	298, 163,082	308,759,161	0.94	-0.07
Ľ	5.9	4.7	7.6	9.9	1,928	20,607	22,535	9,779,742	104,504,397	114,284,139	0.26	0.03
۲	14.9	16	17.1	19.1	141	5,473	5,615	12,535,880	485,205,723	497,741,603	2.24	-0.47
MT	11.1	10.6	11.9	12	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
NL	4.3	3.8	6.2	5.5	1,477	21,553	23,030	295,663,927	4,315,453,556	4,611,117,483	0.77	0.11
PL	11.8	11.6	15.7	15.5	329	4,310	4,639	553,227,836	7,248,610,767	7,801,838,603	2.05	0.01
РТ	14.1	12.7	15.9	14	484	8,306	8,790	171,133,327	2,936,274,628	3,107,407,955	1.88	0.31
RO	16.8	17.4	19.1	19.1	61	2,089	2,150	62,828,568	2,135,911,570	2, 198, 740, 138	1.67	0.07
SE	7.8	7.5	8.4	7.9	856	8,808	9,664	121,478,227	1,249,791,707	1,371,269,935	0.34	0.01
SI	9.3	7.1	11.8	9.4	128	10,972	11,100	6,935,569	595,781,655	602,717,225	1.71	0.42
SK	13.8	13.8	18.8	18.7	178	4,398	4,576	27,699,020	685,111,658	712,810,678	1.00	00.00
UK	14	14.3	15.4	15.5	1,033	13,887	14,920	1,296,631,221	17,426,401,156	18,723,032,377	0.97	-0.06
EU26	13.2	12.9	15.9	15.4	767	10,170	10,937	11,414,692,757	151,394,447,294	162,809,140,051	1.26	0.05
EU27	13.2	12.9	15.9	15.4	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a
EU28	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a	n.a

Table 2: Cost of NEETs in the EU, 2012

*Notes*: EU26: Malta missing (no data available). *Source*: Eurofound calculation based on Eurostat data

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### Youth employment

While unemployment is the most pressing challenge for young people, their employment rates have dropped in recent years. In 2012, the employment rate of young people aged 15–24 was 32.8%, the lowest level ever recorded in the EU, corresponding to 18.8 million young people in this age group. Due to the economic crisis, between 2008 and 2012 the youth employment rate in Europe fell almost five percentage points from 37.3% to 32.8%, while employment levels were reduced by about four million young people. The employment rate of those aged 25–64 suffered a much more modest decline during the same period, from 72% in 2008 to 70.6% in 2012.

Again, there are huge differences across Member States, as shown in Table 3. Young people are more engaged in the labour market in countries such as the Netherlands (63.3%), Denmark (55.0%), Austria (54.6%), the UK (46.9%) and Germany (46.6%). Conversely, young people's employment rates are below 20% in Greece (13.1%), Croatia (16.9%), Spain (18.2%), Hungary and Italy (18.6% each).

Countra	Employ	ment rate	Temporary	y contract	Part-time e	mployment	Looking	for a job	Job ch	ange
Country	15–24	25–64	15–24	25–64	15–24	25–64	15–29	30–64	15–29	30–64
AT	54.6	76.3	35.6	4.8	18.8	25.8	2.9	1.4	17.5	8.3
BE	25.3	70.0	31.4	6.0	25.6	24.7	6.6	3.1	10.0	3.8
BG	21.9	66.1	9.5	4.1	4.2	2.1	0.9	0.7	-	-
CY	28.1	72.8	18.7	14.8	18.8	8.9	6.2	1.5	16.5	6.9
CZ	25.2	74.7	27.0	6.9	9.9	4.6	3.5	1.5	10.9	5.3
DE	46.6	78.1	53.6	8.7	21.7	26.1	4.7	3.2	13.2	5.9
DK	55.0	76.8	20.9	6.3	65.0	17.9	10.4	5.3	16.6	6.8
EE	33.0	75.0	12.9	2.5	18.6	8.2	6.6	4.5	17.4	8.6
EL	13.1	58.0	25.9	9.3	19.4	7.1	6.7	2.6	12.2	4.7
ES	18.2	61.9	62.4	21.5	35.6	13.6	12.3	5.4	18.7	7.9
FI	41.8	75.5	42.0	11.8	39.2	11.0	13.1	6.3	-	-
FR	28.8	71.9	55.5	11.0	23.1	17.2	8.8	3.8	12.8	3.2
HR	16.9	58.5	47.4	10.3	5.6	6.3	-	-	-	-
HU	18.6	65.3	22.4	8.6	9.7	6.4	1.4	0.9	15.2	6.6
IE	28.2	65.7	34.9	7.4	48.2	21.1	4.5	2.1	7.7	4.6
IT	18.6	63.6	52.9	11.5	27.5	16.2	4.1	1.7	15.9	8.3
LT	21.5	72.5	9.4	2.1	15.4	8.4	3.0	2.2	-	-
LU	21.7	75.0	39.0	5.7	22.7	18.3	9.9	4.5	14.6	5.1
LV	28.7	70.9	9.7	4.2	15.0	8.4	3.5	3.1	12.8	8.3
MT	43.8	62.8	16.6	5.0	20.6	11.9	4.0	2.4	13.5	8.1
NL	63.3	77.7	51.2	12.8	76.7	44.1	5.7	4.4	18.2	7.2
PL	24.7	67.4	66.4	23.2	16.7	6.4	5.2	2.2	18.7	8.6
РТ	23.6	69.1	56.5	18.0	20.1	10.4	11.6	5.2	12.8	6.1
RO	23.9	67.4	5.8	1.4	17.8	8.4	2.3	1.0	3.7	2.5
SE	40.2	82.3	55.7	10.5	48.5	22.1	12.9	5.9	-	-
SI	27.3	71.0	72.0	13.1	38.3	6.9	6.9	3.5	11.4	6.0
SK	20.1	68.9	19.1	5.9	7.3	3.8	3.7	2.0	12.8	6.3
UK	46.9	75.6	14.9	4.8	40.3	23.8	12.3	6.5	19.6	12.5
EU28	32.8	70.6	42.2	10.6	31.0	18.0	7.3	3.6	15.0	7.1

Table 3: Employment indicators for young people, 2012 (%)

*Source:* Eurostat, 2012. Eurostat EU-LFS microdata for the proportion of people looking for a job (2011) and EU-SILC crosssectional microdata for the proportion of workers that changed job within the 12 months previous to the survey (2010). For these two indicators, EU28 refers in fact to EU27.

Moreover, apart from higher unemployment rates and lower employment rates, a further issue of concern for younger workers is the proportion of workers in non-standard forms of employment. Many young people who work as employees are on temporary contracts. As highlighted in Eurofound's recent study on young people and temporary employment, the proportion of young people in temporary

jobs increased significantly across Europe in the years preceding the recession (Eurofound, 2013). Then, from 2007 to 2009, as almost all European economies went into recession and widespread job losses occurred, the proportion of young people employed on temporary contracts declined in many countries as firms, faced with falling demand, shed these workers first. In the following three years, from 2009 to 2012, as most economies remained depressed and the outlook continued to be highly uncertain, with little prospect of any imminent recovery, it was evident that due to the economic recession employers were reluctant to give people permanent jobs. A large number of the young people recruited, mainly to replace workers retiring, therefore went into fixed-term jobs, so increasing the overall proportion employed in such jobs. From 2009 to 2012, the number of young people on temporary contracts rose in 20 of the EU28. The increase was particularly large in those countries most affected by the crisis – Ireland, Italy, Slovenia and Spain. Accordingly, the proportion of young people employed in temporary jobs, as opposed to permanent ones, was larger in 2012 than in 2007 in all but nine countries, despite the reduction in such jobs in the recession years. These trends are in line with those for the 25–29 age group (though not shown here).

There is a much wider incidence of temporary contracts among the younger segment of the workforce. In 2012, 42.2% of young employees (aged 15–24) held temporary contracts in the EU28, compared to around 10% among those aged 25–64. As shown in Table 3, the proportion of employees aged 15–24 in temporary jobs in 2012 ranged from 72% in Slovenia, 66% in Poland and 62% in Spain to slightly under 10% in Latvia, Bulgaria and Lithuania and just 6% in Romania. The variation between countries is very much in line with that for those aged 25–29 though, in most cases, they are only around half or less than the proportions for those aged 15–24 (the major exception is Cyprus, where the proportion was almost the same for the two age groups).<sup>1</sup>

There is some tendency for the proportion of young people aged 15–24 in temporary jobs in the different countries to mirror that of older workers of 25 and over more generally, but there are quite a few exceptions. In particular, in Slovenia, France, Sweden, Italy and Germany, the extent of temporary working among young people aged 15–24 is well above the European average, whereas the proportion of employees aged 25–64 in temporary jobs is much closer to the average. In Austria, Belgium and Luxembourg, there is also a large gap in the incidence of temporary employment between the younger segment of the workforce and the rest. Conversely, in Cyprus, the proportion of young employees aged 15–24 in temporary jobs is larger than that of those aged 25–64, but the gap is not so wide.

While the reason for the different rates of temporary employment in EU countries is discussed in Eurofound's 2013 report on the subject, it is worth noting here that the temporary employment rate presented includes apprentices in Germany and other countries with a vocational system. It is important to mention that, whereas in countries with a dual educational system the use of temporary work is seen as the best way to integrate young people into the labour market (such as through apprenticeships), in other countries young people in temporary jobs are seen as part of the secondary labour market and thus find themselves in a very precarious position. Therefore, the use of temporary contracts at a certain moment in time does not necessarily have to be a negative feature of labour markets. The essential point is to consider to what extent, from a dynamic perspective, temporary contracts facilitate labour market integration and offer the possibility of career progression.

<sup>&</sup>lt;sup>1</sup> Eurostat LFS data consider apprentices and students with temporary side jobs as temporary employees, inflating the temporary employment rate in countries with well-developed apprenticeship systems (such as Germany) and where young people take up temporary jobs while studying (such as Scandinavian countries).

European Commission research has highlighted the comparison between Germany and Spain, for instance, on the use of temporary employment and the labour market adjustment affecting young people during the crisis. In Germany, where adjustment in youth employment has been more subdued, temporary contracts are often more secure and offer career progression, since most young temporary employees are in education or training (on apprenticeship and training contracts). On the contrary, the Spanish labour market is segmented and employees tend to be involuntarily employed on temporary contracts, typically used as an alternative to circumvent the higher rigidity of permanent contracts and not facilitating transitions to more secure employment (European Commission, 2013).

It is important to note that the above figures, based on the EU-LFS, do not necessarily capture all forms of temporary working or, more generally, jobs which are not subject to standard contracts of employment. In the Czech Republic, for example, an unknown number of jobs are covered by 'Agreements on work performed outside the employment relationship', and so not regulated by the Labour Code. These usually involve casual one-off stints of work, where employers are not obliged to register employees' working time. In Poland, according to the National Labour Inspectorate, 21% of the working population (the relative proportion of young people is not known) had a 'civil law contract' not regulated by the Labour Code in 2010, up from 15.5% in 2008. In Finland, 'zero-hour contracts', where work may be permanent but not guaranteed, have reportedly become more common during the crisis.<sup>2</sup>

Part-time employment is an issue of less concern for younger workers. On the one hand, part-time employment is voluntary to a higher extent than temporary employment. On the other hand, the gap in the rate of part-time employment between young and older workers is not as wide as in the case of temporary contracts: in the EU28, 31% of employees aged 15–24 were working part time in 2012, compared to 18% of those aged 25–64. Still, the incidence of part-time employment is very relevant in some countries: it affects at least 40% of young workers in the Netherlands, Denmark, Sweden, Ireland, the UK and Finland (see Table 3). Moreover, part-time employment has gained much importance as a result of the crisis among younger workers: part-time working increased from 25.5% in 2007 to 31% in 2012 among the younger workforce in the EU28, while there was a much more modest increase (from 16.6% to 18%) among those aged 25–64.

Apart from being more affected by non-standard forms of employment, young workers tend to change jobs more often. The proportion of workers looking for a different job and actually changing jobs is higher among young workers: more than 7% of them reported that they were looking for a different job in 2012, while, in 2011, 15% of them reported having changed jobs within the previous year (compared with about 3.5% and 7%, respectively, in the case of their older counterparts). Not surprisingly, it is mainly those countries where young workers are more affected by non-standard forms of employment that have higher proportions of younger workers looking for a job and/or who have changed jobs in the previous year. These countries include Austria, Poland, Portugal and Spain (which have a high rate of temporary contracts), Denmark and Finland (high rates of part-time employment) and Sweden (high rates of both temporary contracts and part-time employment).

<sup>&</sup>lt;sup>2</sup> Additionally, it is uncertain how far informal employment in the grey economy is covered by the EU-LFS. In Bulgaria, a large and growing number of people are thought to be involved in such activity. Similarly, in Malta, undeclared seasonal work among young people seems to be increasing.

### Conclusion

Member States have been hit very hard by the economic crisis and in many of them the recovery is still far from happening. In this context, young people have suffered the most from the recession in terms of employment prospects and the risk of disengagement. The number of young people who are not in employment, education or training (NEET) increased in several countries, comprising 15.9% of the overall population aged under 30. The loss for European economies in 2012 of having 14.6 million young people outside the labour market or education was estimated at €162 billion.

While youth unemployment is still increasing in many countries, reaching 50% or more of the economically active part of the youth population in Croatia, Greece and Spain, there are signs of recovery and positive trends, especially in the Baltic countries of Estonia, Latvia and Lithuania. These countries, badly affected by the crisis in 2008 and 2009, recorded a considerable increase in youth employment in 2012. While the effect of emigration and the quality of jobs should be investigated in more depth, this is an encouraging sign for other Member States in their efforts to help those young people who have not yet succeeded in entering the labour market.

Although these limited positive signs may possibly be read as the beginning of a more general change in reversing the negative trend of youth unemployment, it is essential that all Member States continue to share the sense of urgency of the situation. This will keep them focused on promoting initiatives to combat youth unemployment and prevent disengagement of young people from European societies.

The incidence of part-time employment and especially temporary contracts among young workers is already relatively high, and the prolonged jobs crisis has probably forced young people to be less selective about the type of job they are prepared to accept. There is a risk that this potentially more unstable position in labour markets will negatively affect the strengthening of the labour market attachment of young workers. This may considerably delay their transition to adulthood, as well as any decisions about becoming parents (a particularly undesirable consequence in those Member States with an already low fertility rate), as will be explained. It is the responsibility of Member States to promote initiatives in order to ensure a quick and smooth transition of young people from school to decent and good quality work. In this regard, the 2013 recommendation of the Council of the European Union on establishing the Youth Guarantee is on the right lines especially if it is firmly implemented by the Member States (Council of the European Union, 2013).

# Introducing youth transitions in Europe

Young people are traditionally more deeply affected by economic downturns than prime-age workers (Eurofound, 2012a; OECD, 2010). This is because youth is a period of transition from education to work where individuals have to find their way not only in the labour market but also their way in life in general and into adulthood. While older workers have already established themselves in the labour market and have longer tenures as well as greater work experience, new entrants are more exposed to negative market forces during times of recession and are often the 'last in and first out' when it comes to company restructuring (Choudhry et al, 2012; Gangl, 2002). Moreover, hiring declines significantly during recessions, as employers need to cut costs and are faced with an uncertain future. This has a disproportionately severe impact on young people as they make up by far the largest proportion of job-seekers without work.

Indeed, the most recent economic crisis has once again hit young people with full force and recent years have not been easy for young people trying to gain a foothold in the labour market (Verick, 2011; Bell and Blanchflower, 2011). Young people's transition experiences have substantially worsened since the onset of the crisis and are also less favourable than those of prime-age workers. Today, young people are more likely to move from employment into unemployment and they are also less likely to move from a negative to a positive status, that is into employment, than before the recession (European Commission, 2012b).

Additionally, and as a consequence of the economic crisis, young people's paths from school to sustained work have become much less predictable. Unlike young people in the past, those who have concluded full-time education today are less likely to move directly into full-time permanent employment. They might start their career by taking on a series of part-time or temporary employment contracts interrupted by spells of unemployment or further education and training, moving frequently in and out of the labour force. This makes the transition experiences of young people diverse, complicated and very different from the smoother processes experienced by their parents and grandparents.

Protracted school-to-work transitions are also a worrying development for the individual, as the quality of transitions early in a young person's life are a strong determinant of subsequent labour market outcomes, such as lifetime earnings and future employability. Yet successful school-to-work transitions have a much wider implication. They are an important step towards a young person's full integration into society. The economic independence reached with successful school-to-work transitions is intrinsically related to other aspects of 'growing up'. This, for example, includes leaving the parental home or moving in with a partner (Billari and Liefbroer, 2010; Knijn, 2012; Blossfeld et al, 2005). If the move into (secure) work and financial independence is delayed, this may have spillover effects for these other aspects of adulthood and postpone those transitions. In this way, problematic school-to-work transitions delay young people's transition into adulthood and their establishment as independent citizens.

### Spotlighting youth transitions on the EU agenda

Given the deterioration of young people's position in the labour market and their worsened transition experiences, the issue has become central to the European agenda for reducing youth unemployment. This reflects the fact that there is rising concern over young people spending longer periods outside the labour market and education and the fact that this may become the norm and obstruct the future prospects of Europe's youth.

In December 2012, the European Commission proposed a Youth Employment Package to combat the 'unacceptably high levels' of youth unemployment and social exclusion among young people (European

Commission, 2012c). At the heart of the proposal lies the acknowledgement that cyclical and structural problems in European labour markets have contributed to making school-to-work transitions more lengthy and difficult. Taking into account the negative effects that these prolonged transitions can have on young people's economic and social well-being over their life course, the Youth Employment Package calls on Member States to act in enabling successful transitions into employment.

Under the heading 'Securing transitions for all youth', the European Commission proposed that the Council of the European Union issue a recommendation to implement a Youth Guarantee in all EU Member States (European Commission, 2012a; European Commission, 2012c). Youth guarantees can be an effective way of shortening transition periods. The Youth Guarantee initiative aims to ensure that all young people under the age of 25 are offered a good quality offer of employment, education, apprenticeship or training within four months of leaving school or becoming unemployed (European Commission, 2012c). In this way, damaging and prolonged absences from the labour market, education or training should be avoided (Eurofound, 2012c). The Council adopted the Commission's proposal on 22 April 2013 and indicated six main axes for guiding Member States in implementing the Youth Guarantee (Council of the European Union, 2013). To implement the Youth Guarantee, national budgets should prioritise youth employment in their agenda. The EU will top up national spending on these schemes through the European Social Fund (ESF) and the 6 billion Youth Employment Initiative (European Commission, 2012d).

The Youth Employment Package builds on the Youth Opportunities Initiative, which drew attention to the increasing youth unemployment in 2011 and called for action to improve young people's prospects in the labour market (European Commission, 2011). Already then there was a focus on supporting school-to-work transitions, especially by redirecting ESF money towards support schemes, encouraging skills development, supporting labour market mobility and strengthening policy delivery.

The initiative had originated from the Europe 2020 flagship initiative Youth on the Move (European Commission, 2010b) (which made only limited reference to youth transitions) and constituted a step towards greater acknowledgment of the importance of school-to-work transitions.

In line with the European Commission, the European Parliament (European Parliament, 2012, 2013) and the European Council (European Council, 2012a and 2012b) have strengthened their focus on young people's transition experiences and the development of related policies. Both are supporting the suggested policies for successful transitions – a Youth Guarantee and an improvement in the quality of traineeships and apprenticeships.

Moreover, both looking at the dynamics of the labour market and understanding transitions between different labour market positions have become crucial to understanding long-term social exclusion and unemployment. The European Commission's review *Employment and social developments in Europe 2012* finds that transition experiences have taken a negative turn in the past few years, as more people become unemployed, while fewer people are reemployed (European Commission, 2012b). Although this is true for Europe overall, it can be noted that there are vast country differences concerning the quality of labour market transitions, grounded both in cyclical and structural differences between European labour markets. Consequently, the European Commission has called for policies that strengthen positive transitions and secure labour market transitions in its Employment Package 'Towards a job-rich recovery' (European Commission, 2012e). Facilitating secure transitions is central to the European Commission's demands for structural labour market and older workers in the late stages of their working lives.

This all shows that the current European policy debate has a great focus on young people's transitions. It is acknowledged that young people are encountering the greatest challenges to their transitions in a weakened economic environment, and there are persistent calls to support young people in overcoming these challenges. The debate clearly focuses on enabling labour market transitions. Broader transitions to adulthood are found to play only a limited role in the debate.

### Transitions as a unit of analysis

Focusing on transitions raises an important question: Why the interest in transitions of young people when it is already possible to gain a great deal of information from simple employment or unemployment rates?

It is true that analysing stock variables such as employment, unemployment and inactivity rates provide important information about the prevalence of a status at a given point. It is, for example, interesting to know the proportion of young people in unemployment throughout Europe in 2012 and how this rate differed between European countries. But one may be interested in other questions that the analysis of static variables cannot answer, such as those outlined here.

- How protracted are young people's transitions from school to work and how long and frequent are the spells of unemployment experienced by young people in the early stage of their career?
- How likely is it that young people will achieve a positive transition from unemployment into employment and how is this affected by the duration of unemployment experienced by young people?
- How likely is it that a temporary job will be followed by a permanent one? And is the stock of temporary workers composed of the same people who remain trapped in a temporary job for years or are there instead dynamic inflows and outflows each year?

In order to answer these questions, it is necessary to analyse individual flows or transitions.

However, investigating transitions is not a trivial exercise. In fact, appropriate indicators measuring school-to-work and employment transitions are scarce. This is mainly due to the lack of comparable longitudinal surveys with a sample large enough to permit a focus on a particular population group such as young school-leavers. For this reason, in order to compare Member States with standardised indicators and highlight those institutional settings that enable more successful school-to-work transitions, alternative ways have to be explored and cross-sectional indicators with a longitudinal perspective must also be used. Among these indicators, for example, are average time in finding a job after leaving education and the median (or the average) school-leaving age. Again, due to the lack of longitudinal surveys, the same problems, and similar solutions, are identified in the investigation of indicators monitoring the more general transition to adulthood of young people. In this regard, the median age of leaving the parental home or entering parenthood are commonly used as key indicators to measure these dynamics.

### Investigating youth transitions in Europe

Analysing labour market transitions provides a rich picture of the dynamics of labour markets and their reaction to structural and cyclical change. Consequently, much of the modern economic literature analyses transitions between the different statuses of employment, unemployment and inactivity (including education), and increasingly deals with more complex transitions such as moving directly

from job to job (RWI, 2011). In addition to providing a more comprehensive picture of labour market situations, looking at transitions or flows is essential at a time when the entrance of young people to the labour market has substantially changed. Entrance to the labour market has become more diverse, complex and non-linear, characterised by the presence of discontinuous working careers and frequent movement in and out of the labour market and employment. With school-to-work transitions being less predictable, the analysis of flows has gained increasing importance, especially for young people (Schmid, 2002).

However, as noted in a report by MacDonald (2011), labour market transitions of young people are part of a much more complex phenomenon. In fact, the labour market transitions of young people cannot be understood without contextualising them in the other areas of young people's lives. As noted earlier, successful labour market transitions are often stepping stones towards a young person's independence and full integration into society. Transitioning into adulthood is therefore closely linked to a person's first transition into the labour market.

Despite being closely linked and interrelated, in literature labour market transitions and the youth transition to adulthood are generally investigated separately.

Using comparative data extracted from the EU-LFS and EU-SILC to illustrate patterns across Member States, this report will both analyse the broader context of young people's transitions into adulthood and then will specifically emphasise school-to-work and early labour market transitions of young people in Europe.<sup>3</sup> The report is then complemented with a discussion of selected good practices recently implemented by Member States that aim to support young people during their transition from school to work.

The analysis is organised as follows. Chapter 3 provides a snapshot of the more general transition of young people into adulthood and patterns across Europe. Following a review of the general literature on the subject, and the methodological approach implemented by Iacovou (2010) on EU-SILC data, the analysis investigates young people's transition experiences across a number of major events associated with transitions to adulthood. These include:

- the median age at which young people leave the parental home;
- the median age at which young people start to live with a partner;
- the median age of entering parenthood.

Results are broken down by gender and computed at Member State level.

In Chapter 4, the investigation focuses on school-to-work transitions. While data availability limits the overall set of analysis, the chapter investigates school-to-work transitions using the following five indicators:

- the average age of young people leaving education;
- the proportion of students combining work and education;
- the average time finding the first job after completing education;
- the labour market status of school-leavers one year after completing education;

<sup>&</sup>lt;sup>3</sup> The analysis was carried out in the EU27, prior to Croatia joining the EU in 2013.

• the type of jobs held by school-leavers one year after completing education.

These indicators are drawn from Eurostat's 2009 EU-LFS ad hoc module on youth entry to the labour market, as well as from the core questionnaire of Eurostat's 2011 EU-LFS. The analysis is performed for all the Member States and then disaggregated for the different educational levels, focusing on secondary and tertiary education. After describing the results, the chapter goes on to present the findings on young people's transitions to adulthood and on school-to-work transitions, identifying similar patterns.

Chapter 5 focuses on young people who already have a job. As it is well known that young people have difficulties in gaining a solid labour market attachment to successfully enter adulthood, the main objective of the chapter is to describe the extent to which young people experience continued employment and to analyse the factors that may influence their likelihood of remaining employed. Using the longitudinal data from EU-SILC, the analysis explores two main dimensions:

- mapping employment persistence and transitions from employment to non-employment, distinguished by type of contract;
- identifying the most important factors explaining the likelihood of young workers remaining in employment, through a multivariate statistical analysis.

Results are presented and discussed for the EU as a whole and at the country cluster level.

Finally, Chapter 6 presents an overview of and examines the effectiveness of selected good practices and policy measures that promote smoother and more successful school-to-work transitions. It draws on national reports from seven Member States – Estonia, France, Germany, Italy, Romania, Sweden and the UK. The analysis looks at programmes and policy measures focusing on the general youth population aged 18–29 while also paying particular attention to the most disadvantaged young people and those who are furthest from the labour market. In all, 21 policy measures and programmes are described and analysed to pinpoint the key features that contributed to their success, including the characteristics of service providers and beneficiaries, their experiences and the success factors underlying their projects.

## Transitions to adulthood in Europe

Being a young person moving into adulthood comprises very diverse realities in different Member States. An average young person in Denmark moves out of the parental home around the age of 20, may live several years alone before moving in with a partner around the age of 25 (earlier for women, later for men) and decides to have a child just before turning 30 (35 for men). He or she may have little difficulty moving from education to employment. An average young person in Italy moves out of the parental home around the age of 30, only to move quickly in with a partner. He or she will have difficulty finding a stable job after leaving education, and will postpone starting a family to their mid-thirties, if deciding to have children at all.

Empirically, young people's transitions have shown significant signs of postponement in recent decades. In addition to becoming less standardised, more protracted, complex and indirect, young people's transitions in Europe have become primarily one thing, which is late (Billari and Liefbroer, 2010; Corijn and Klijzing, 2001; Liefbroer and de Jong Gierveld, 1995). Although it is too early to make statements about the effect of the economic crisis on youth transitions beyond its manifestation in the labour market, the strong decrease in employment security and availability of jobs is likely to delay these transitions even further.

However, there are reasons to think that this postponement is a positive sign of the progress of society as nowadays there is less child and teenage labour, as well as a reduction of teenage childbirth. Moreover, many young people are happy to delay parenthood and childbirth in order to search for and find the best matching partner (trial and error periods) and to cohabit instead of being pressed to marry straight away. What is more problematic is when there are unwanted delays in transition events, such as a prolonged period of job search, as this can result in young people who cannot afford their own household, or young couples who reluctantly delay childbirth because of economic uncertainty. This unwanted postponement of young people's independence constitutes a challenge not only for the 'squeezed' parent generation which often carries the financial burden of young people's late transition to adulthood, but also for Europe's entire demographic development.

In general, across Europe, there are large differences when it comes to the time young people establish themselves as independent citizens by becoming adults. In general, southern and eastern European countries show distinctly different patterns from their northwestern counterparts across nearly all transitions (Buchmann and Kriesi, 2011; Kotowska, 2012). A lot of research has tried to explain these different patterns. The main reasons put forward in the available literature are cultural differences (Billari et al, 2001; Aassve et al, 2010), institutional differences, such as different welfare state regimes (Breen and Buchmann, 2002; Buchmann and Kriesi, 2011), or long-term demographic trends, such as that referred to as the 'second demographic transition' (Lesthaeghe, 1986; Billari and Liefbroer, 2010).

The institutional school of thought assumes that there is a close link between individual life course outcomes and a variation in institutional arrangements (Mayer, 2001; Breen and Buchmann, 2002). Institutions are considered to be important in that they shape the opportunity structure under which transitions to adulthood take place. Commonly, the literature considers the design of welfare regimes, educational systems and labour market regulation as the most important determinants of differences in transitions to adulthood. Although all European countries today are exposed to the common trends of deindustrialisation and globalisation, it is different institutional settings that mediate the effect of the overall trends and cause different outcomes.

However, institutional influences cannot be disentangled from cultural influences and norms, as social norms and formal institutions interact in a variety of ways. For example, a southern European

welfare state may have been shaped by the existence of strong cultural family ties in the population and vice versa. Cultural factors are often seen as another explanatory factor in understanding country difference. For instance, one such factor is the existence of strong versus weak family ties in different societies, enabling different patterns of transitions to adulthood (Reher, 1998). Moreover, distinct country differences remain in normative ideas about transitions to adulthood, such as when one is considered too old to live at home (Aassve et al, 2010; Drobnič and Knijn, 2012).

Others have pointed out that country differences might be a manifestation of the different speeds at which different countries undergo the second demographic transition. This transition describes the idea that new – and often more individualised – demographic behaviours, such as postponing fertility, establish themselves all over Europe (Lesthaeghe and van de Kaa, 1986; Lesthaeghe, 2010; Billari and Liefbroer, 2010). As some countries enter the second demographic transition later than others, different patterns of transitions to adulthood can be seen in Europe, which are assumed to converge over time. It is usually thought that these new demographic practices started in the northern European countries, spreading first to western Europe and then to eastern and southern Europe.

Whatever theory one subscribes to, it is clear that, in addition to persisting country differences, there have been overall common trends in transitions to adulthood in previous decades.

First, there are persisting gender differences across Member States. Women transition earlier to adulthood than men. This is true across all transition events and is also reflected in the public opinion that young women reach adult status about two years before young men (Drobnič and Knijn, 2012).

Secondly, patterns of transitions have become destandardised and display great heterogeneity (Mayer, 2001). It is even contested whether all transitions are still considered relevant markers for a young person's pathway to adulthood (Drobnič and Knijn, 2012), as young people are increasingly choosing individual trajectories (Liefbroer and de Jong Gierveld, 1995). For example, while in the past it was common that marriage preceded having a child, this is now not so: different transition events are now increasingly decoupled and individualised (Buchmann and Kriesi, 2011).

Finally, it should be noted that here, as well as in general literature, many transitions are often conceptualised as a non-reoccurring event (Buchmann and Kriesi, 2011). For example, it is assumed that once a young person has moved out for the first time, he or she will not return to the parental home. However, as mentioned, there is some evidence that, due to the economic crisis, this does not fully apply anymore. Some young people today are thought of as 'the boomerang generation', a phenomenon that implies young people are moving back with their parents after having lived alone. It has been noted that it is therefore difficult to determine the age at which transitions are taking place, as there are limited data about transitions prior to the current stage (Eurostat, 2010).

Following the approach by Eurostat (2010), doing a similar analysis for EU-SILC data, it has to be assumed that such errors cancel each other out. Using the method applied by Iacovou (2010), non-parametric regression techniques have been used on EU-SILC data from 2011 to calculate the age at which 50% of all young people are observed living away from home, living with a partner or who have become parents. While it is known that these indicators only capture a part of the wide range of events that characterise the transitions of young people into adulthood, they are the ones mainly used by traditional literature to map and describe the various patterns across Member States.

The European Union Statistics on Income and Living Conditions (EU-SILC) is an annual cross-sectional and longitudinal survey now conducted in the 28 EU Member States, as well as Iceland, Norway, Switzerland and Turkey. It provides information on living conditions, income and social inclusion across Europe. As EU-SILC is coordinated by Eurostat and data are representative at the national level, the results are comparable across EU Member States. The survey includes only those living in private households.

The **European Union Labour Force Survey** (EU-LFS) is a large household sample survey providing quarterly results on labour participation of people aged 15 and over and on people outside the labour force, carried out in the 28 Member States, two candidate countries and three countries of the European Free Trade Association (EFTA). The survey is coordinated by Eurostat. All definitions apply to persons aged 15 years and over living in private households. People carrying out obligatory military or community service are not included in the target group of the survey, and neither are people in institutions or collective households.

### Leaving the parental home

Together with school-to-work transitions (to be investigated in the next chapter), leaving the parental home is often seen as one of the first active transitions to adulthood. It marks the event of starting to run one's own household and make one's own financial decisions (Mulder, 2009).

Moving out seems to be less influenced than other transitions by the general trend of postponement. Analysing birth cohorts from the 1930s to the 1970s, Billari and Liefbroer (2010) find that the age of leaving home has changed relatively little across birth cohorts. While the birth cohorts born between 1940 and 1960 displayed a tendency to leave home at an earlier stage, this trend has now stabilised or even returned to postponement in eastern and southern European countries.

However, there are pronounced cross-country differences when it comes to leaving the parental home in Europe (Billari et al, 2001; Eurostat, 2010; Mulder and Billari, 2010; Kotowska, 2012). Research has pointed out that there is a north–south and an east–west divide when it comes to home-leaving patterns (Kotowska, 2012; Eurostat, 2010; Mulder, 2009).

Figure 1 and Table 4 show the age at which 50% of young people leave the parental home. This confirms what the general literature indicates – particularly that all over Europe, young women leave home earlier than young men. This difference varies from one year or less in Sweden and Denmark, to three years or more in Bulgaria, Greece, Hungary, Latvia and Romania. At European level, the results indicate that young people leave the parental home earliest in the Nordic countries, and latest in southern and eastern European countries. For example, 50% of young people leave home at the age of 20 in Denmark, compared with 29 in Greece and 30 in Bulgaria. Those in central and western European countries can be placed in the middle. For instance, 50% of young people leave home at the age of 22.6 in France, 23 in Germany, 24 in the UK, 25 in Ireland, about 26 in Luxembourg and 28 in Italy and Slovenia.

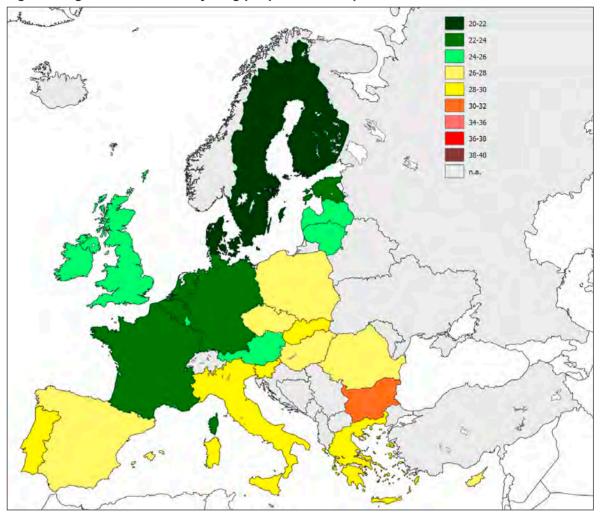


Figure 1: Age at which 50% of young people leave the parental home

Source: Eurofound calculation based on EU-SILC data

Different factors have been identified to influence these differences, such as individual and family resources, cultural norms and institutional constraints (Mulder, 2009). Interestingly, in the current economic climate, financial independence and a young person's income do have an important influence on the probability of young people leaving home. Using the European Community Household Panel, Iacovou (2010) finds a positive association between a young person's income and the probability of leaving home in all European countries. Countries displaying the latest patterns of leaving home, such as Greece, Italy, Portugal and Spain often suffer from a combination of factors inhibiting home-leaving such as a difficult housing market, high unemployment and low wages (Iacovou, 2010). Notwithstanding cultural influences, this income effect can lead one to believe that the crisis may have postponed home-leaving in many countries and also postponed the start of transitions to adulthood.

Although moving out is an important step on a young person's path to independence, it is – as are other transitions – increasingly characterised by less linearity and by aspects of backtracking. As already mentioned, young people are sometimes 'boomeranging' back home, after having spent a period of time somewhere else, such as at university. The transitions of leaving the parental home are getting increasingly complex and more research is needed to determine cross-country differences in this respect (Buchmann and Kriesi, 2011).

### Living with a partner and starting a family

Some young people may leave home to live alone, taking a further step towards adulthood, but others will do so to enter partnership and eventually start a family. It has been found that the age when a young person first lives with a partner decreased for cohorts born in the 1930s to the 1960s, while younger cohorts have postponed the age at which they do this. Moreover, while country differences were relatively small for birth cohorts until the 1960s, differences have become larger for cohorts thereafter (Billari and Liefbroer, 2010; Kotowska, 2012).

Country clusters for entering partnership – cohabiting – are similar to the patterns identified for leaving the parental home, with distinct patterns for Nordic and western countries on the one hand and southern and eastern countries on the other (Eurostat, 2010). While in Finland, for example, 50% of young people are living with a partner at the age of 21.5 for women and 23.7 for men, the same is true for young Italians only by the age of 28.9 for women and 33.8 for men.

The relationship between partnering and other transitions like leaving the parental home is interesting. Data show that young people in northern Europe live alone for several years before partnering. For example, in Denmark 50% of young people leave home at the age of 19.6 for women and 20.6 for men, while moving in with a partner comes later at the age of 25.5 for women and 27.9 for men.

The trend in Sweden and the Netherlands is similar, with a gap between leaving home and moving in with a partner of at least four years for women and five years for men.

Conversely, leaving home and partnering are two events that often happen closer together in southern and eastern countries. For example, in Spain 50% of young people leave home at an average age of 26.4 for women and 28.3 for men, and move in with a partner at the age of 28.8 for women and 31.1 for men).

Similarly, there is a gap of just two years, or less, between these two events in the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Portugal, Poland, Romania, Slovakia and Slovenia. In some countries, young people enter a partnership before leaving the parental home. This is particularly common in Bulgaria, Poland and Romania. This is a big change from 'the golden age of marriage' in the middle of the twentieth century, when most young people left the parental home to get married (Corijn and Klijzing, 2001).

It has been pointed out that starting a family and becoming a parent was traditionally the final event in the transition to adulthood (Corijn and Klijzing, 2001). Today, however, with more people experiencing more diversified trajectories, this is not always the case and the traditional sequence of leaving the parental home, marriage and, finally, parenthood is sometimes reversed. For example, there has been a big increase in birth to unmarried parents, who sometimes marry after this event. In general, young people have postponed becoming parents in most European countries. Stronger postponement can be observed across birth cohorts, although only the latest birth cohort in eastern European countries displays this pattern (Billari and Liefbroer, 2010).

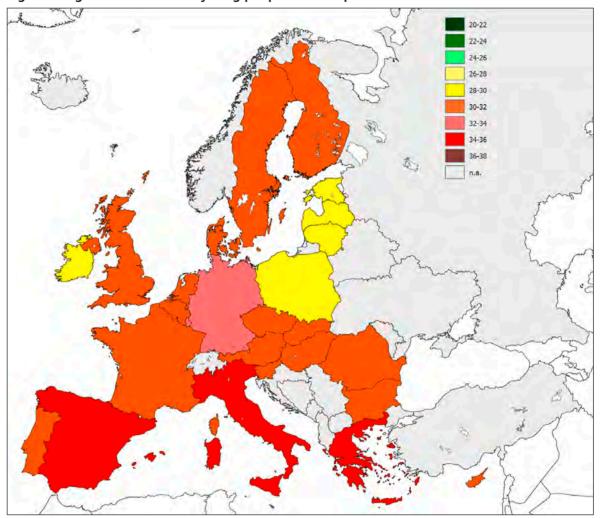


Figure 2: Age at which 50% of young people become parents

Source: Eurofound calculation based on EU-SILC data

The analysis of the 2011 EU-SILC data confirms this trend and reveals different dynamics among the European countries. Despite the fact that young people in Bulgaria, Estonia, Latvia, Lithuania and Poland left the parental home later than their counterparts in other European countries, they became parents quite soon afterwards. In fact, the age at which 50% of young people in these countries have children is 30 or below. Conversely, those countries that recorded a late entrance into parenthood are Mediterranean countries such as Italy, Greece and Spain, where 50% of young people have children at the age of 36 or older for men and about 32 for women (Table 4).

It is interesting also to note the different dynamics among Member States between leaving the parental home and entering into parenthood. The gap for this is seven years or more in the western continental countries of Belgium, France and Luxembourg, apprenticeship countries like Austria and Germany, the Nordic countries of Denmark, Finland, the Netherlands and Sweden, and the UK. But it shrinks to three years or less in eastern European countries such as Bulgaria, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, Mediterranean countries such as Malta and Portugal, and Ireland. In this regard, with a correlation rate below 25%, it should be noted that the countries where young people leave home at an early age are not those where young people become parents at an early age. While in Scandinavian countries 50% of young people leave home,

on average, at the age of 20, the average age at which 50% of young people will have children is over 30. Conversely, in Ireland, Latvia and Lithuania, where 50% of young people become parents at the age of 28 (the lowest age in Europe for this), 50% of young people leave home at the average age of 26 or 27.

Country	Leaving h	ome (age)	Living with p	oartner (age)	Having children (age)		
Country	Men	Women	Men	Women	Men	Women	
AT	25.9	23.3	29.6	26.5	33.5	29.8	
BE	24.6	23.2	28.1	25.6	34.2	29.4	
BG	34.5	26.2	31.1	26.7	33.0	27.3	
СҮ	28.2	25.4	30.8	27.9	32.8	30.5	
CZ	28.1	25.4	29.9	26.8	32.9	28.8	
DE	24.1	22.2	27.9	25.5	35.2	31.6	
DK	20.6	19.6	26.9	25.1	33.5	29.7	
EE	24.5	22.9	27.1	24.9	30.3	27.2	
EL	31.5	26.8	34.5	29.8	37.0	31.8	
ES	28.3	26.4	31.1	28.8	36.1	32.6	
FI	21.1	19.8	23.7	21.5	33.8	30.1	
FR	23.2	22.0	26.6	24.3	32.4	28.8	
HU	29.2	25.9	30.2	26.8	33.4	29.1	
IE	26.6	24.3	29.0	27.8	29.0	27.8	
Π	29.6	26.8	33.8	28.9	37.2	31.8	
LT	26.3	24.5	27.5	25.7	30.3	26.2	
LU	27.1	24.7	29.2	26.3	34.5	29.8	
LV	27.5	24.5	28.6	25.9	30.4	26.6	
MT	30.3	28.0	31.7	29.2	34.0	29.9	
NL	23.4	21.5	28.7	26.1	33.5	30.0	
PL	29.1	26.4	28.9	26.4	31.4	28.2	
PT	29.6	27.4	31.0	28.8	34.2	29.9	
RO	30.2	25.4	30.0	26.5	32.9	28.9	
SE	20.8	19.9	28.5	25.7	31.8	28.8	
SI	29.9	27.0	32.1	28.2	34.2	29.1	
SK	30.5	28.0	30.8	28.2	33.8	29.8	
UK	25.1	23.0	27.7	25.4	33.6	29.2	
EU27	26.3	23.8	29.4	26.4	34.3	30.1	

Table 4: Age at which 50% of young people leave home, live with a partner and become parents

Source: Eurofound calculation based on EU-SILC data

### Conclusion

In line with the general literature, the results of the indicators presented in this section have confirmed the existence of different dynamics among the Member States in young people's transition to adulthood. However, similarities have also been found.

Similar patterns were especially observed among different country clusters, such as the Nordic countries of Denmark, Finland, the Netherlands and Sweden, the English-speaking cluster of Ireland and the UK, the western continental countries of Belgium, France and Luxembourg, as well as apprenticeship countries like Austria and Germany. In all of these groups, young people:

- leave home at an earlier age than the EU average;
- live alone before moving in together with a partner;
- wait several years after moving in with a partner before becoming parents.

However, there are some differences within these clusters. For example, in Ireland, young people become parents earlier than in the UK and quickly transition from moving in with a partner to parenthood. In Finland, young people seem to move in with a partner at a younger age than in Denmark and Sweden.

The Baltic Member States show a similar pattern. In these countries, 50% of young people leave home in line with the EU average, only to move in very quickly with a partner and then become parents.

Other eastern European countries reveal a different dynamic. There, young people leave home at an older age, higher than the EU average but, as in the Baltic countries, once they have left home, they quickly move in with a partner and become parents shortly afterwards. The dynamic in Mediterranean countries is different again. The age at which 50% of young people leave home in most Mediterranean countries is the highest in Europe. However, after leaving home, they live alone for some time before moving in with a partner, and there is another long wait before they become parents. For these reasons, the age at which 50% of young people in these countries become parents is also the highest in Europe.

However, regardless of these different patterns, the economic crisis has meant young people all over Europe have been faced with significantly less favourable transitions than before the crisis, especially when compared with prime-age workers. It is essential to acknowledge that school-to-work transitions are closely connected with other steps on young people's path to adulthood, such as moving out of the parental home, finding a partner and having children. While there have been general trends of postponement and increased complexity of these transitions, strong cross-country variation persists. This is often explained by cultural, institutional and economic differences between countries, such as labour market regulations or the set-up of the education system. Most importantly, it can be assumed that, in times of economic crisis, uncertainty increases among young people, which can lead to the further postponement of achieving their goals of adulthood. This implies that the economic crisis not only excludes young people economically from the European labour markets, but also hampers them in becoming independent citizens. This is a source of real concern, especially in Mediterranean countries, where young people's transitions are already delayed and the age at which they become parents is considerably postponed in comparison with the rest of Europe.

The next chapter will focus on labour market transitions in greater detail, because it is labour market participation and the subsequent financial independence that form the stepping stones to adulthood. It will show the very different realities that young people face in European countries and point to some of the institutional settings that enable smoother transitions from school to work. This will complement the map of youth transition to adulthood.

## School-to-work transitions

The day of finishing education should be an exciting day in a young person's life. After years of studying in a formal environment, they can now set out to apply their knowledge, choose a career that suits their preferences and find a job they feel passionate about. Yet, it is often a day filled with great insecurity about the future, as entering the labour market is a challenge for many young people throughout Europe and the process of finding a first job can be lengthy. Even in a pre-crisis scenario it would often take a long time for young people to find their first job. In 2004, over 50% of young people had not found a job one year after leaving school in Greece, Italy, Poland or Slovakia. Even in countries that performed comparatively well, such as the Netherlands, this rate was still about 20% (Quintini et al, 2007). The recent economic crisis has reemphasised and aggravated the difficult situation of new entrants in the labour market. As a result of the crisis, even the types of young people that previously performed well in entering the labour market, such as the higher educated, have faced increasingly difficult transitions (OECD, 2010; Eurofound, 2012a).

Yet, some countries have displayed greater potential to integrate young people in their labour markets than others. This points to the fact that, although transition patterns may be partially driven by individual preferences, different institutions and public policies can really help smooth the way (Biavaschi et al, 2012). Traditionally, the literature has identified several factors that enable positive school-to-work transitions: general economic and demographic factors; labour market institutions and regulation; education and training systems; and the mitigating effect of welfare regimes (Buchmann and Kriesi, 2011; Breen and Buchmann, 2002; Breen, 2005; Wolbers, 2007b; Shavit et al, 1998; Biavaschi et al, 2012).

According to Biavaschi et al (2012), the smoothest labour market transitions will be encountered in countries with:

- a favourable demographic structure and macroeconomic situation;
- a great demand for youth labour;
- minimum wage rates or dual labour markets and the respective employment protection;
- education and training systems that equip young people with needed skills and prepare them for labour market entry;
- welfare regimes including active labour market programmes.

It has been observed that, generally, young people in southern European countries often face a 'protracted period of career instability' (Buchmann and Kriesi, 2011) due to a gloomy macroeconomic situation, dual labour markets, and education and training systems that lack elements of employer involvement and hands-on work experience.

The smoothest school-to-work transitions are traditionally encountered in countries with strong elements of vocational training, such as Austria, Denmark, Germany and the Netherlands, where employers are involved in the design of vocational courses and where theoretical learning in schools is often combined with practical work experience in the form of apprenticeships (Shavit and Müller, 2000; Gangl, 2001a; Breen, 2005; Buchmann and Kriesi, 2011; Biavaschi et al, 2012).

Along with persisting or even increasing country differences, there are some groups that are more affected by difficult transition experiences in all countries. Those include especially young people with low levels of qualifications (OECD, 2010; Quintini et al, 2007). Yet Biavaschi et al (2012) point out that it is not only the level of educational attainment, but also the quality of education and close

links to the labour market that lead to different transition experiences. Although the overall level of educational attainment has increased in recent years, school-to-work transitions are still difficult in many countries and have probably worsened during the crisis. Finally, it is also important to highlight a general trend of postponement of school-to-work transitions over recent decades. This is due to the expansion of the educational system (Schizzerotto and Lucchini, 2004) and diminishing occupational opportunities and chances of finding a stable job (Buchmann and Kriesi, 2011; Blanchflower and Freeman, 2000). Blanchflower and Freeman (2000) state that every cohort moves from a status of near full enrolment in school and limited labour market activity to a status of limited enrolment in school and high levels of labour market activity. They state that this period covers between 10 and 15 years in advanced economies, covering the ages from 16 to 25–30. They find that this period has grown longer in recent decades, confirming the general trend of postponement of school-to-work transitions.

### Identifying different school-to-work transition patterns

Kogan and Müller (2002) provided an evaluation and an analysis of the 2000 ad-hoc module of the EU-LFS data on school-to-work transitions in the European countries. In their overview, they take into consideration several indicators measuring employment patterns and employment characteristics of recent school-leavers. Breaking down the information by educational level, Kogan and Müller reveal the existence of various patterns in the transition from education to work in the different Member States. While Member States are not explicitly clustered, different patterns are confirmed also in the other dimensions taken into consideration by the authors, such as social origin, gender and job search behaviour.

Building upon Marsden's distinction between internal and occupational labour markets (referred to as ILM and OLM systems) and institutional characteristics of educational systems (Marsden, 1990), Gangl develops a theoretically founded country-level typology of patterns of labour market entry in Europe (Gangl, 2001a). Drawing on EU-LFS data for western Europe, he empirically confirms the model. In OLM systems such as Austria, Denmark, Germany and the Netherlands, there are smooth transitions from school to work because of a high degree of occupational specificity of educational qualifications, due to the existence of an apprenticeship system or employer involvement in the design of curricula at vocational schools. In contrast, in ILM systems such as in France and Belgium, but also in southern European countries, labour market allocation predominantly relies on work experience, with the result that labour market entry tends to be more difficult (insider-outsider mechanisms). Besides confirming the existence of the OLM and ILM types of systems, Gangl identifies the southern European countries as a third cluster with the greatest difficulties in entering the labour market, which he attributes to the large proportion of low-skilled entrants and high levels of employment protection (Gangl, 2001a).

Saar et al replicate Gangl's study and extend the analyses to central and eastern European (CEE) countries, based on 2004 EU-LFS data (Saar et al, 2008). They show a more differentiated picture of country clusters and reveal a high degree of heterogeneity among CEE countries. Slovenia, as a country with strong employment protection, strong unions and strong labour market policies, can be clustered with countries such as Belgium and Sweden, whereas the Baltic states form a cluster with Hungary. Poland and Slovakia stand out as two countries with the worst situation for school-leavers among CEE countries.

Brzinsky-Fay (2007) maps country differences in school-to-work transitions based on individual-level dynamic sequence data from the European Community Household Panel. In support of the typology

by Gangl (2001b), he finds the highest proportion of favourable sequences with higher proportions of employment and education episodes in OLM countries (countries with well-established training systems such as Denmark and Germany). The southern European cluster, with its lower levels of educational attainment and dual labour market structures, is characterised by many young people experiencing several periods of unemployment in their early careers. Interestingly, countries that are dominated by general education systems such as Belgium, France, Ireland and the UK offer possibilities for young people to have a higher number of employment experiences in the early career.

The idea that country differences in school-to-work transitions are influenced by the institutional structure of the education system and by labour market regulation is supported by other European comparative studies that explicitly measure the impact of different institutional factors. Breen (2005) finds that youth unemployment is lower in countries with a high degree of specific vocational qualifications and with employers' involvement in training provision, as well as in countries with low levels of employment protection. Drawing on data from the 2000 EU-LFS ad hoc module on the transition from education to work, Wolbers (2007a) found that vocational specificity in the education system and low levels of employment protection increase the speed of labour market entry. However, recent studies have challenged this view by providing empirical analyses that do not show any robust evidence that there is a negative effect from high levels of protection of permanent jobs on youth integration chances (Noelke, 2011; Baranowska and Gebel, 2010).

Taking a more holistic approach, Walther and Pohl propose a regime-type model to describe youth transitions at European level. As a response to the multiple and different country contexts, the model includes four clusters depicting common characteristics in major European areas (Walther and Pohl, 2005; Walther, 2006).

The universalistic regime in the Nordic countries, such as Denmark and Sweden, is characterised by an extended welfare provision combined with an inclusive schooling system and a training system offering a wide range of opportunities. In general, access to education and the labour market is widespread and the focus of transition policies is on education and activation. The liberal regime in the UK and to a lesser extent in Ireland is characterised by an adaptive and versatile education and training system combined with open, easy access to employability. Employment, however, is often combined with high risks and low access to welfare. The employment-centred regime of continental countries such as France, Germany and the Netherlands has educational and training frameworks that are more selective and standardised, contributing to an occupational segmentation of social positions. The focus of the transition policies is mostly on (pre-)vocational training, which often lacks accreditation and is stigmatised. Access to social assistance is not universal, especially for disadvantaged young people. The subprotective regime, prevalent in the Mediterranean countries such as Italy, Portugal and Spain is characterised by a non-selective educational system combined with low-standard training schemes. Access to the labour market is challenging, with high rates of informal and precarious jobs. The active labour market policies are fragmented. The role of the family in these countries is prominent, with high levels of dependency. An additional cluster (post-socialist) depicting the transition regime(s) in CEE countries is not part of the model but partially fits into the liberal and the employment-centred regimes, although in some cases there are commonalities with the subprotective one.

While highlighting the limitations of the use of aggregated indicators, which may blur the gender imbalance and the additional difficulties of low-educated in contrast with highly educated people, the OECD used 2008 data and compared several aggregated indicators of school-to-work transitions. Among others, these indicators included median age leaving education, the level of student working,

gender imbalances in labour market outcomes and labour market status up to five years after leaving education. As a result of this investigation, OECD countries are grouped in four main clusters, describing four different school-to-work transition models (OECD, 2010).

In the OECD typology of school-to-work transition, the first group represented the model of 'study late while working'. This group included Nordic countries, the Netherlands and Slovenia. These countries were all characterised by an above-average median age of leaving school and by students combining work and education. The second group, the 'study while working' model included English-speaking countries (including Ireland and the UK) and was characterised by a below-average median age leaving school and a higher proportion of students who work. The third group, which comprised most European countries, including the Mediterranean and eastern European countries, is the 'study first, then work' group and is characterised by a below-average median of leaving education and a lower proportion of students working. Finally, the 'apprenticeship' model includes Austria and Germany and is characterised by an above-average median age of leaving education and coordinated combinations of work and training in apprenticeships.

### Measuring school-to-work transitions

As described in the previous section, available literature suggests the existence of country-specific patterns in school-to-work transitions at the European level and highlights the importance of a better understanding of this crucial time in young people's lives (Buchmann and Kriesi, 2011; Biavaschi et al, 2012).

However, the investigation of transitions from education to the labour market is neither trivial nor easy. In fact, while the integration of young people into society has been traditionally imagined as a sequence of steps from school to work, it is now recognised that such linear transitions are increasingly being replaced by different routes. Modern youth transitions tend to be complex and protracted, with young people moving frequently in and out of the labour force. They may involve backtracking and the blending of statuses – especially in times of economic turbulence – which make the analysis of the trajectories from school to work even more difficult (Eurofound, 2012b).

Moreover, the analysis of conventional indicators of labour market performance, like stock variables such as employment, unemployment and inactivity rates, provides important information about which status is prevalent at a given point in time. It is, for example, interesting to know what proportion of young people was in unemployment throughout Europe in 2012, and how this rate differed between European countries and its trend over time. However, the analysis of static variables fails to explain the dynamic nature of the entrance of young people into the labour market and their transition from school to work:

- How long will the transition from school to work be?
- How persistent is this status of unemployment?
- Is it more persistent in some countries than others?

The investigation of these dynamics is fundamental in order to understand better the full set of challenges and difficulties that young people face in entering the labour market.

Despite their importance, appropriate indicators measuring school-to-work and employment transitions are not widespread, due to the lack of surveys on school-to-work transitions and, more

generally, the lack of comparable longitudinal surveys with a sample large enough to permit a focus on school-leavers. For this reason, in order to compare Member States with standardised indicators and to identify those institutional settings that enable more positive school-to-work transitions, crosssectional indicators with a longitudinal perspective are used as well. In this regard, key common indicators of interest may include the retrospectively investigated average time in finding a job after leaving education and the median (or average) school-leaving age (Kogan and Müller, 2002; OECD, 2010).

Despite being useful in the analysis, and despite the comparison of Member State performance, these indicators have often been criticised for not taking into account individual differences in school-to-work transitions and blurring the difficulties faced by different groups (OECD, 2010).

While acknowledging the limitation highlighted above, this section investigates school-to-work transitions in Europe using the following five indicators:

- the average age of young people leaving education;
- the proportion of students combining work and education;
- the average time finding the first job after completing education;
- the labour market status of school-leavers one year after completing education;
- the type of jobs held by school-leavers one year after completing education.

These indicators are drawn from Eurostat's 2009 EU-LFS ad hoc module on youth entry to the labour market (EU-LFS AHM), as well as from the core questionnaire of Eurostat's 2011 EU-LFS. It should be highlighted here that the results of the 2009 EU-LFS AHM only partially capture the effect of the economic crisis, which was just beginning to take hold. For this reason, where possible the EU-LFS 2011 has been used in order to show the deterioration in the position of young people in the labour market.

The analysis is performed for all the Member States and then disaggregated for the different educational levels, placing special emphasis on secondary and tertiary education.

## Average age of leaving education

The first indicator to be taken into consideration is the average age of young people leaving education – that is, the average age when the highest degree was obtained. Despite its limitations, this indicator is commonly used in literature when describing different patterns of school-to-work transitions. According to Eurostat's 2009 EU-LFS AHM, European young people leave education when they are a little bit older than 21. However, naturally enough, there is a large variation in this at Member State level, with the average age of leaving education ranging from 20 or less in Bulgaria, Malta and Romania, to 22 or older in Denmark, Finland, Germany, Luxembourg, the Netherlands, Poland, Portugal and Slovenia.

However, this indicator depends strongly on the proportion of young people attending higher education and on the system of higher education. If there are sequential BA and MA structures such as in the UK, there are many tertiary graduates who leave early, whereas in the classic non-sequential diploma countries such as Germany and Italy students study for a long time. For this reason, this information has a somewhat limited relevance and it is more interesting to look at the average age when students leave different educational levels.

The disaggregation by educational level reveals that lower secondary education programmes in EU countries are completed, on average, at the age of 17.3 years. The age varies greatly among the Member States, from 15 or younger in Cyprus, the Czech Republic, Romania and Slovakia, to 18 or older in Belgium, Denmark, Finland, Germany, the Netherlands, Portugal and Sweden. This can be partly explained by the different age at which compulsory education ends in the EU countries.

At the European level, in 2009, the average age of leaving upper secondary education was 19.9 years. The age varies from younger than 19 in Bulgaria, Cyprus, the Czech Republic, Malta, Romania, Slovakia and the UK, to 21 or older in Denmark, Finland, Germany, the Netherlands and Portugal. Finally, in 2009, the average age of leaving tertiary education was 24.1. The age varies from younger than 23 in France, Malta and the UK, to 25 or older in Austria, Denmark, Finland, Germany, Italy, Slovenia and Sweden. With the exception of the English-speaking countries, countries with a higher proportion of students who work are those with a higher age of leaving tertiary education.

#### **Combining school and education**

Early labour market experience can be very important for young people and their transition into adulthood. In fact, regardless of the content of the job, early labour market experience can be very useful for learning the values and norms of work, for discovering and developing the work ethic and for an earlier acquisition of experience which may be useful once in the labour market. In this regard, vocational education and training (VET) is an essential tool in order to allow young people to acquire labour market experience and skills that are relevant for the labour market. Making use of the 2009 EU-LFS AHM, for the first time research sheds considerable light on the consequences of education choices for young people in Europe, providing empirical evidence of the relevance of VET as an educational choice and that VET is more successful than general education at getting individuals into work in the short and medium terms (Cedefop, 2012).

However, in order to maximise their effectiveness and to be a healthy combination of school and work, these early labour market experiences have to be of a limited duration, especially in terms of actual worked hours, so as to be compatible with education. If the number of actual worked hours is too high to be compatible with education, the combination of school and work is unhealthy, with the risk of increasing the numbers of school drop-outs and early school-leavers.

In line with the 2010 OECD report, the analysis of the EU-LFS data reveals that in Europe on average 22.2% of students combined school and work in 2009. The proportion of students combining education and work varies greatly among Member States (Figure 3). In Belgium and in some eastern and Mediterranean countries such as Bulgaria, the Czech Republic, Greece, Hungary, Italy, Romania and Slovakia, the proportion of students who combine education and work is lower than 10%. Conversely, in Austria and Germany, this proportion is around 39% and 36% respectively and in Denmark and the Netherlands it reaches about 60%. These are referred to as the occupational labour market countries – that is, countries with a strong vocational or apprenticeship system which accounts for this very high proportion (Marsden, 1990).

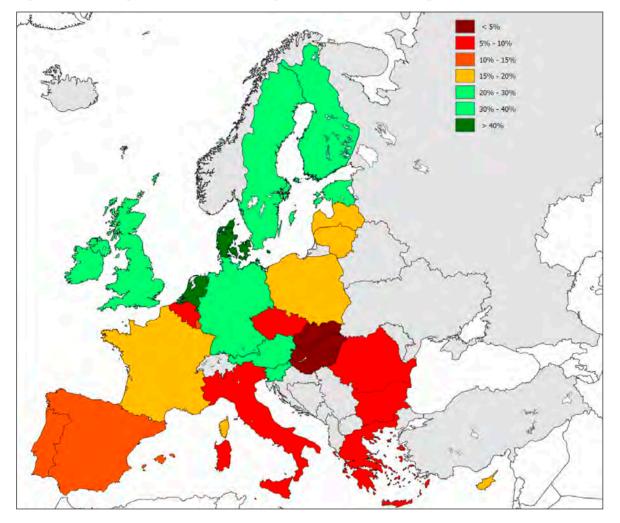


Figure 3: Percentage of students combining work and education, regardless of educational level

Source: Eurofound calculation based on data from Eurostat 2009 EU-LFS AHM

When disaggregated by educational level, the data show the proportion of students at European level who combine school and work:

- 7% of students enrolled in lower secondary programmes (ISCED 0-2);
- 22.1% of upper secondary students (ISCED 3-4);
- 28% of tertiary education students (ISCED 5-6).4

Unsurprisingly, this varies greatly among Member States. In particular, in 2009, the proportion of upper secondary students working varied from less than 2% in Bulgaria, Greece, Hungary, Italy and Slovakia to 55% or more in Denmark, Germany and the Netherlands. The proportion of students combining study and work generally increases among those attending tertiary education. Despite this increase, this proportion is highly correlated with the proportion of ISCED 3–4 students working. In particular, the proportion of young people in tertiary education combining education and work is less than 15% in Belgium, Greece, Hungary, Italy, Romania and Slovakia, whereas in the Netherlands,

<sup>&</sup>lt;sup>4</sup> ISCED is the International Standard Classification of Education; ISCED 0–2 = pre-primary to lower secondary; ISCED 3–4 = upper secondary to post-secondary; ISCED 5–6 = tertiary.

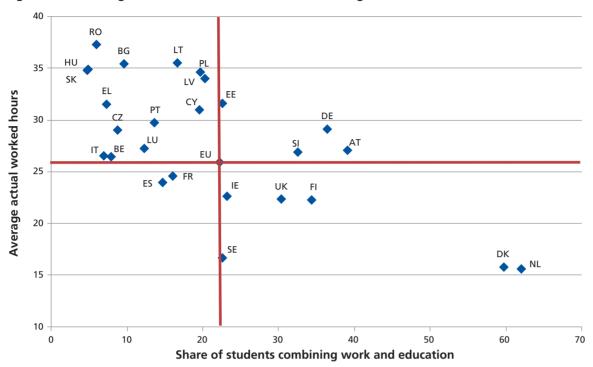
Denmark and Finland, this proportion reaches 69%, 61% and 56% respectively. While the two series are significantly associated, with a correlation of 0.68, it is interesting to note that the Baltic states, Ireland, Poland, Slovenia and Sweden show a below-average proportion of upper secondary students working and an above-average proportion of tertiary students who combine education and work revealing, in fact, that combining education and work is quite common for those in tertiary education. The opposite seems to hold in Denmark and especially in Germany, but while the results of these two countries are above the EU average, the proportion of upper secondary students who work is higher than the proportion of tertiary students who combine work and education, which can be explained by the strong vocational/apprenticeship system in both countries.

Finally, the investigation of the 2011 EU-LFS reveals that, due to the economic crisis, the proportion of student workers decreased in Europe from 22.2% in 2009 to 21.5% in 2011. This decrease was observed in all European Union countries with the exception of Austria, Belgium, Germany and Sweden. In all these countries, the relative increase was however less than 10%. The most severe decrease was observed in those countries hit hardest by the crisis: Bulgaria, Greece, Ireland, Lithuania, Romania and Spain. In all these countries, the proportion of students who work recorded a relative decrease of 20%.

Despite the limitations of using aggregated data, it is useful to investigate the average number of actual hours worked by students in order to better understand how work and education are combined by students in various countries. In 2009, in Europe, those students combining work and education (regardless of their educational level), on average, worked slightly more than 25 hours per week.

Important heterogeneity is observed at the Member State level. Interestingly, the analysis reveals that with the exception of Austria, Germany and Slovenia, those countries with a higher proportion of students who work, such as Denmark and the Netherlands, are those which record the lowest average worked hours – about 15 hours a week (Figure 4).

Conversely, the countries with a lower proportion of students combining education and work, including the Mediterranean, eastern European and western continental countries, are those with a higher average number of worked hours. Bulgaria, Hungary, Romania, Lithuania and Slovakia recorded the highest average actual worked hours (Figure 4).



#### Figure 4: Percentage of student workers and their average actual worked hours

*Note:* No data available for Malta. *Source:* Eurofound calculation based on data from Eurostat 2009 EU-LFS AHM

Breaking these data down by the level of education attained, the analysis reveals that, on average, upper secondary students worked more than tertiary and lower secondary students: 27.4 hours versus 24.4 and 14 hours respectively. Focusing on upper secondary students, the analysis reveals that countries with a higher proportion of upper secondary students who work are those where students work fewer hours. This holds for all countries with the exception of Austria and Germany. In fact these countries, referred to as the apprenticeship countries due to their dual educational systems, have a larger proportion of students who work and a higher average number of actual worked hours than the EU average. The eastern European and Mediterranean countries have a very low, even marginal, proportion of secondary students who work, but those students work a very high average number of hours.

In almost half the Member States, students in tertiary education who work recorded a higher average number of hours than secondary students who work, implying that in these countries earlier labour market experiences are more likely to start during tertiary education. Interestingly, and as a result of their dual educational systems, in Austria and Germany the average actual worked hours by tertiary education students is below the EU average and is considerably lower than those recorded for upper secondary students.

The analysis of these indicators seems to reveal different ways of combining school and work. In particular, data have shown that, regardless of the level of education attained, Denmark, Finland, the Netherlands and Sweden record a higher than EU average proportion of students who work, even though the average number of hours worked is lower than the EU average. Conversely, Austria, Germany and, to a certain extent, Slovenia have a greater than EU average proportion of upper secondary students who work. However, and with the exception of Slovenia, this is not true for

students attending tertiary education. It is also interesting to highlight that the effect of combining school and work during upper secondary education is partially reflected in the age of completing this level of education. With a correlation rate of 58% and despite the remarkable exceptions of Austria, Ireland, Sweden and the UK, most countries with a higher proportion of upper secondary students who work are also those where students are older than average when leaving education. Inevitably, this can again be related to institutionalised forms of vocational training leading to high proportions of students combining work and training, but also to the later age of leaving education, because the definition of education includes training spells.

While more in-depth research is needed, the youth employment rate and the proportion of students combining work and education are highly correlated. Given the way the employment rate is measured this would naturally be expected. However, this association can be read in two ways. On the one hand, the higher proportion of students who work, associated with a higher employment rate, could indicate a labour market with more opportunities for young people who can easily find a job. On the other hand, it could also indicate that in these countries young people are more willing to work during their education as it is common, and in some case also institutionalised, in these countries to combine education and labour market experience.

However, looking also at the average number of worked hours, the analysis of these two simple indicators seems to show different approaches and different models in the youth pathway to employment. The first model seems to represent a healthy combination of school and work. In Member States that follow this model, such as the Nordic and English-speaking countries, the combination of work and education is more common and, on average, students work a number of hours which permits them to combine their educational career with early labour market experience. In the second model, the higher proportion of student workers is combined with a higher number of hours worked among secondary students. This is the dual educational system and seems to include Austria and Germany. Conversely, in all the remaining EU Member States, the proportion of students who work is marginal, especially among upper secondary students. However, those who do work seem to work, on average, very long hours. Inevitably this will leave very little time for these students to pursue their education. For this reason, the latter model seems an unhealthy combination of work and education, as students are mainly absorbed by work and this increases the risk of them dropping out of school.

## Average time between leaving education and starting a job

Together with the age of leaving education, another common indicator used in general literature for studying transitions from school to work is the average time spent between finishing education and starting one's first job. The quicker the transition from school to work, the higher the likelihood of a successful entry to the labour market and the lower the risk of a young person becoming trapped in the NEET status, with all the consequent risks of social exclusion and the disruption of human and social capital. However, when talking about quick transitions, it should be noted that the economic crisis has resulted in a greater skills mismatch in the labour market, as there has been an increase in the proportion of university graduates taking up jobs that require only upper secondary education – for example, from 38% in 2001 to 53% in 2009 in Europe. Thus, a quick transition to a job for which the job holder is overqualified may not necessarily be a good thing (European Commission, 2012b). This kind of mismatch between level of qualification and job specification should be investigated further.

According to Eurostat's 2009 EU-LFS AHM, in the EU the average time it took to start one's first job after leaving education was 6.5 months (Figure 5). This value varies from five months or less in

Austria, the Czech Republic, Denmark, Estonia, Ireland, Lithuania, the Netherlands, Sweden and the UK, to eight months or more in Bulgaria, Cyprus, Greece, Italy, Romania and Spain. Interestingly, and with the exception of Slovenia, the countries with a higher proportion of students who combine school and work are also those with a shorter average gap between finishing education and starting a first job. In fact, as most of these students already combine work and education, they will find a job more quickly or in some cases, and depending on the nature of the job, they will just continue with the job they already do.

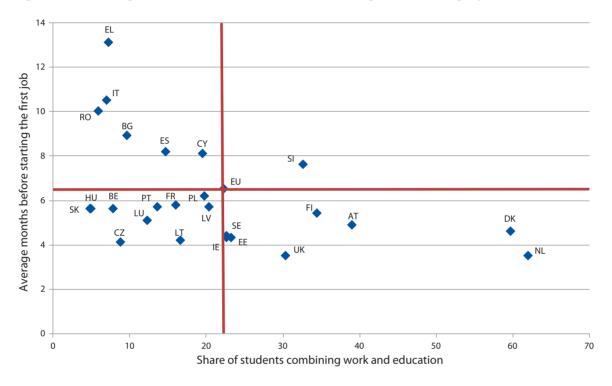


Figure 5: Percentage of students who work versus average time finding a job, 2009

*Note:* No data available for Malta. *Source:* Eurofound calculation based on data from Eurostat 2009 EU-LFS AHM

The analysis of this indicator, disaggregated by educational level, reveals uniformly that the time before starting one's first job after education decreases as the level of education increases. At European level, students with at least a lower secondary education wait, on average, almost 10 months before getting a job, while those with an upper secondary education wait seven months and those with tertiary education wait about five months. At Member State level, upper secondary school-leavers wait four months or less to start their first job in Denmark, the Netherlands and the UK, compared with 10 months or more in Bulgaria, Cyprus, Greece, Italy and Romania. School-leavers with a tertiary education wait three months or less in Estonia, Latvia, Malta, the Netherlands and the UK, compared with seven months or more in Greece, Italy, Romania and Spain.

Despite some differences among countries, it is important to note that those countries reporting a higher proportion of student workers are those with a quicker transition from school to work. This is particularly true for those school-leavers with an upper secondary education. Denmark, the Netherlands and the UK record the quickest transition, of about three months, from school to work for this category. In all the countries with a higher proportion of students combining study and work, school-leavers appear to get a job more quickly, but the effect is less prominent among those who completed tertiary education.

### Labour market status of school-leavers

The proportion of school-leavers who successfully entered the labour market within one year of completing their education is a key indicator for understanding the rate of successful transitions among school-leavers and the various patterns and dynamics among different Member States. In order to highlight the importance of a successful entrance into the labour market, Eurofound (2012b) provided a broad review of the consequences of a protracted disengagement of youth from the labour market. These include:

- disruption of human capital;
- a risk of social exclusion and poverty;
- disaffection;
- an increased risk of pursuing dangerous lifestyles.

For these reasons, a well-functioning labour market is one that absorbs most of the newly graduated within a few months of the completion of their education.

According to the 2009 EU-LFS, regardless of the educational level attained, about 68% of European school-leavers were recorded as being employed one year after completing their education. However, huge differences can be observed among countries (Figure 6). In the Czech Republic, Denmark, Germany and the Netherlands, around 80% or more of school-leavers are employed one year after leaving education. This proportion decreases to between 70% and 80% in Belgium, Luxembourg, Slovenia, Sweden and the UK. The proportion of school-leavers similarly employed in Finland, Austria and Cyprus drops to 67%, 66% and 48% respectively, although it has to be noted that in these countries a considerable number of young people must do military service one year after graduation. In the southern European cluster of Greece, Italy and Spain, less than 50% of school-leavers are in employment one year after leaving school.

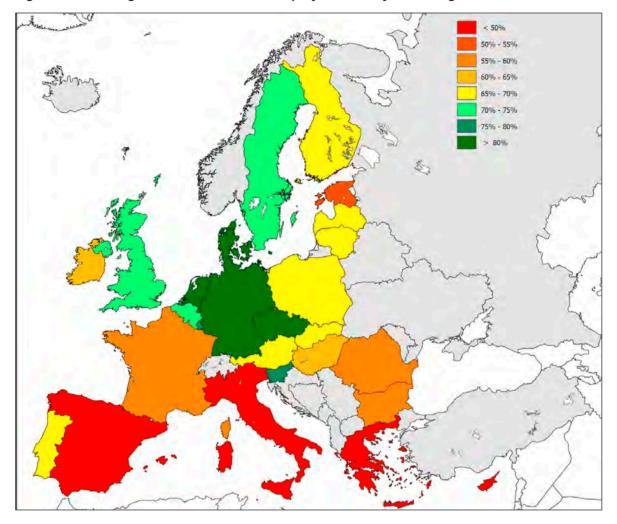


Figure 6: Percentage of school-leavers in employment one year after graduation

Source: Eurofound calculation based on data from Eurostat 2009 EU-LFS

As expected, the proportion of school-leavers who are employed increased with educational level. In Europe, in 2009, about one-third of those who left education with a lower secondary education found employment. This proportion increases to 65% of those who completed upper secondary education. However, at the country level, this varies greatly from 45% or less in Cyprus, Greece, Italy, Romania and Spain to 80% or more in Denmark, Germany and the Netherlands. In the EU as a whole, some 78.5% of those who completed tertiary education were successfully in employment one year after finishing education. This proportion varies from around 90% in Austria, the Czech Republic, Denmark, Finland, Latvia, Germany and the Netherlands to less than 60% in Greece and Italy (Table 5).

In terms of gender imbalance in the Member States, more female school-leavers are employed than males: 70% versus 65%. This holds for the majority of the Member States, with the exception of some Mediterranean (Greece, Italy, Portugal and Spain), western continental (France and Luxembourg), and some eastern and Baltic countries (Bulgaria, Latvia, Slovakia and Slovenia). Despite some persistent gender gaps, and in line with the OECD report on jobs for young people, the labour market outcome of the school-leavers one year after graduation depends above all on the specific situation

and characteristics of the youth labour market in their particular country, and not on gender or other factors (OECD, 2010).

It is important to note that the proportion of school-leavers who are employed one year after graduation is clearly associated with the proportion of students combining work and education. In this regard, a correlation rate of 65% is found, revealing that those countries with a higher proportion of students who work are also those with a higher proportion of school-leavers who are employed one year after finishing their education. This seems to confirm the importance of the combination of school and work in order to ensure a quicker entrance of young people to the labour market. The disaggregation by educational level confirms this result and, in line with the results of the average time it takes to start the first job, it shows that the association is stronger for school-leavers that have completed upper secondary education (ISCED 3–4) than for those with a tertiary degree (over 70% versus 44%).

While the 2009 EU-LFS permits comparison with the data of the EU-LFS AHM, it is important to highlight that the 2009 data represent the situation at the beginning of the crisis. As the situation has deteriorated considerably in several Member States since then, it is natural to expect that such entry rates fell in 2011, indicating more difficulty for young people wanting to enter the labour market. Indeed, in 2011, at the European level, the proportion of the school-leavers employed one year after completing their education fell to about 66%. At the Member State level, the drop was higher in Bulgaria, Greece, Slovenia, Lithuania, Portugal, Slovakia, Spain, Denmark and the Czech Republic (Table 5).

Disaggregating the indicator for educational levels, it was found that, at European level, a drop of 1 percentage point was recorded for those school-leavers with upper secondary education from 2009 to 2011. At Member State level, this decrease was mainly driven by the Baltic and Mediterranean countries. In particular, in Italy the proportion of school-leavers holding an upper secondary education employed one year after graduation decreased to around 38% in 2011 while in Greece it decreased to a low of 21%. The countries with the highest proportion are Germany, Malta, the Netherlands and Luxembourg where 80% or more of school-leavers with upper secondary education were working one year after graduation.

Finally, at European level, the proportion of school-leavers with tertiary education who are employed one year after graduation decreased by 1.5 percentage points from 2009 to 2011. The highest decrease was recorded in Greece with a striking -23 percentage points and in Bulgaria with -16 percentage points. In the Mediterranean countries, on average, around 50% of the newly graduated are employed one year after finishing education, compared with around 90% of those in the Nordic and German-speaking countries (Table 5).

#### Type of job held by young people one year after graduation

Once in employment, it is important for young people to gain a solid labour market attachment in order to successfully face their continuing transitions into adulthood. Unfortunately, holding a stable position in the labour market, and even remaining in employment, is not an easy task for young people, given the difficult macroeconomic situation in many European Member States and the fact that these young people often enter the labour market on non-standard contracts.

To provide an exhaustive overview of the process of school-to-work transitions, together with the proportion of those who successfully entered the labour market one year after the completion of education, it is very important also to investigate what kind of contract they hold and if the contract

Country	Avera	Average age completing education (2009)	oleting (9)	Propc com. educ	Proportion of students combining work and education (2009) (%)	dents and (%)	Avera	Average actual worked hours (2009)	orked	Avera	Average months before starting the first job (2009)	oefore o (2009)	Proporti in emp after fi	Proportion of school-leavers in employment one year after finishing education (2009) (%)	I-leavers le year ication	Proporti in em after f	Proportion of school-leavers in employment one year after finishing education (2011) (%)	I-leavers ne year ucation
	All levels	Upper secondary	Tertiary	AII levels	Upper secondary	Tertiary	All levels	Upper secondary	Tertiary	All levels	Upper secondary	Tertiary	All levels	Upper secondary	Tertiary	AII levels	Upper secondary	Tertiary
АТ	20.8	19.7	25.6	39.0	36.8	46.2	27.1	30.3	22.2	4.9	4.9	3.7	66.9	67.0	89.0	67.8	67.8	91.6
BE	21.5	20.2	23.3	7.8	6.1	9.1	26.4	23.0	27.5	5.6	5.5	5.3	73.3	67.5	84.6	69.0	63.0	82.3
BG	19.6	18	24.1	9.6	0.7	22.5	35.4	36.6	35.3	8.9	11.7	4.1	56.9	49.1	77.4	36.8	28.1	61.1
Շ	21.3	18.5	23.3	19.5	2.6	41.8	31.0	29.3	31.1	8.1	13.9	4.8	48.5	8.6	74.2	48.0	11.8	72.1
Ŋ	20.7	18.9	24.3	8.7	3.3	18.4	29.0	29.4	28.9	4.1	4.6	3.1	83.8	78.6	91.6	77.1	71.9	86.8
DE	22.4	21.3	25.8	36.4	56.5	33.7	29.1	33.2	17.4				81.9	81.9	90.06	81.0	79.6	92.0
DK	23	21.8	26.7	59.6	67.9	61.4	15.8	17.6	13.0	4.6	3.7	3.7	85.8	81.3	88.8	79.2	76.0	84.2
EE	20.8	19.7	24	22.5	5.9	45.6	31.6	34.9	31.2	4.3	4.8	2.8	55.5	57.8	61.7	63.1	52.3	80.3
EL	21	19.3	23.3	7.2	2.0	11.0	31.5	27.9	31.6	13.1	13.9	12.2	45.9	34.1	59.8	29.6	21.4	36.8
ES	20.5	19.7	23.4	14.6	7.9	25.3	23.9	23.0	23.8	8.2	8.8	7	48.4	45.2	62.4	42.0	34.3	56.6
FI	22.6	21.4	25.7	34.3	26.7	52.2	22.2	21.2	22.9	5.4	6.5	3.5	66.6	53.3	88.9	62.3	51.9	86.8
FR	20.7	19.5	22.9	16.0	16.6	20.8	24.5	25.8	23.5	5.8	6.6	4.6	57.5	48.3	79.0	63.8	57.1	78.3
ΗU	21.7	20.6	24.3	4.9	1.3	11.0	34.9	33.2	35.2	5.6	6.4	4	61.3	49.9	77.3	60.5	54.4	74.5
Ш	21.7	19.9	23.6	23.2	16.6	39.8	22.6	22.8	22.2	4.3	4.7	3.9	62.0	49.4	80.6	59.4	45.4	77.4
Ц	21	19.5	25.3	7.0	1.8	13.9	26.5	27.7	26.1	10.5	10.4	9.8	44.1	40.8	53.0	43.1	38.5	53.4
Ŀ	21.8	20.3	23.9	16.6	3.2	37.0	35.5	37.5	35.4	4.2	5.1	m	69.0	56.7	83.0	59.5	43.2	76.0
ĽŪ	22.3	20.6	24	12.2	12.0	15.2	27.2	26.6	27.4	5.1	5.7	4.2	76.4	69.8	86.8	80.9	82.3	92.9
۲V	21.5	19.9	24.6	20.3	4.4	44.0	34.0	26.3	34.7	5.7	6.6	3.7	66.7	52.1	88.0	60.9	46.2	77.2
MT	18.8	18.5	22.9							5.5	7	2.6				75.5	81.1	89.7
NL	22.5	21.5	24.6	62.0	62.1	69.7	15.6	15.1	15.8	3.5	3.3	m	87.1	90.1	91.9	88.2	89.2	93.8
PL	22.3	20	24.8	19.7	10.4	37.9	34.6	32.4	35.3	6.2	6	3.6	68.8	56.3	81.4	68.0	56.8	79.0
РТ	22.2	21.6	24.7	13.6	11.5	19.1	29.7	31.4	28.5	5.7	5.7	4.7	70.3	68.4	76.8	61.7	60.3	71.5
RO	19.7	18.5	23.7	5.9	2.3	11.0	37.2	33.6	38.1	10	12	7.3	57.9	44.4	73.4	51.6	42.5	64.7
SE	21.5	19.4	25.4	22.6	19.4	30.3	16.6	16.1	17.0	4.4	5	3.5	71.8	63.1	87.8	80.4	73.7	90.9
SI	22.8	20.8	25.7	32.5	17.5	45.2	26.8	21.7	27.3	7.6	9.8	4.6	79.5	74.2	83.3	65.3	60.0	70.1
SK	20.4	18.7	24.1	4.8	0.5	11.2	34.8	25.2	35.2	5.6	6.3	3.5	67.2	58.1	81.4	59.5	48.9	73.2
UK	20.1	18.2	22.5	30.3	26.7	36.6	22.3	22.8	21.4	3.5	3.2	m	74.8	77.7	79.6	74.8	72.1	80.8
EU27	21.2	19.9	24.1	22.2	22.2	27.9	25.9	27.3	74.4	5.9	73	ر ۲	67.6	65.0	78 S	20	610	

Table 5: School-to-work transition in EU27, 2009 and 2011

Source: Eurofound calculations based on data from Eurostat EU-LFS

has been accepted by choice. In fact, looking at the type of contract is extremely important in order to better understand how much job instability is experienced by young people in some Member States, the problems surrounding young people's transitions from school to work and how high the risk is of having a delayed transition to adulthood.

While it is not this study's aim to discuss the concept of quality of work (which is brilliantly investigated, for example, by: De Bustillo et al, 2011; Kalleberg, 2011; Green, 2006), the scope of this investigation is to understand better the jobs that new school-leavers find in the labour market by categorising the type of job they hold on the basis of being temporary or permanent, working full or part time and whether the position has been taken up voluntarily or not.

The EU-LFS investigates the type of job held on the basis of the above categories via four different questions:

- Is it permanent or temporary?
- If temporary, is it voluntary?
- Is it full or part time?
- What are the reasons for any part-time work (voluntary or not)?

In order to better investigate the type of job held by school-leavers, the four questions above are combined in a new, non-ordinal, nine-category variable. These nine categories describe the type of job possibly held by the newly entered school-leavers:

- permanent and full-time contract;
- permanent and part-time contract;
- permanent contract and (non-voluntary) part time;
- temporary and full-time contract;
- temporary and part-time contract;
- temporary contract and (non-voluntary) part time;
- non-voluntary temporary contract and full time;
- non-voluntary temporary contract and part time;
- non-voluntary temporary contract and non-voluntary part time.

As shown in Table 6, at the European level on average, 53% of school-leavers who are employed one year after graduation hold a permanent and full-time contract. Moreover, at EU level, 16% of the newly graduated who are employed work full time with a voluntary temporary contract while 14% work full time with a non-voluntary temporary contract. Finally, just about 4% of all school-leavers who are employed within a year work part time with a non-voluntary temporary contract.

The disaggregation by educational level reveals that, at the European level, just 31% of those with a lower educational level hold a permanent contract; this proportion increases to 52% and 55% of those school-leavers with upper secondary and tertiary education respectively. Conversely, the proportion of those holding a voluntary full-time temporary contract decreases with educational level. In fact, while 25% of those with a lower educational level who are employed work with this

kind of contract, this proportion decreases to 15% of those educated to upper secondary or tertiary level. The proportion of those working full time but holding a non-voluntary temporary contract can, nonetheless, be seen to describe a U-shape, reflecting 15% of those educated to lower secondary and tertiary level, decreasing to around 12% of those with upper secondary education. Finally, the proportion of those educated to lower secondary level who are in involuntary part-time work, with temporary contracts, is almost double the number of those educated to upper secondary and tertiary level – 6.6% against 3.5% and 3.9% respectively.

Again, there are big differences among Member States. The Baltic countries, and some of the eastern European countries, are among those with the highest proportion of permanent full-time contracts. In particular, in Estonia, Latvia, Lithuania, as well as Bulgaria, the Czech Republic, Hungary, Romania and Slovakia, more than 70% of employed school-leavers hold a permanent full-time contract. Conversely, in Mediterranean countries such as Italy and Spain, well below 30% of the school-leavers are in permanent full-time employment. These two countries, together with Finland, France, Poland and Portugal, have a large proportion of school-leavers working with a temporary full-time, often non-voluntary contract. The Nordic countries, alongside Ireland and the UK, are among those countries with the highest proportion of school-leavers working with a part-time contract. But the Mediterranean countries are among those countries with the highest proportion of school-leavers working with a part-time contract. But the Mediterranean countries are among those countries with the highest proportion of school-leavers working with a part-time contract. But the Mediterranean countries are among those countries with the highest proportion of school-leavers working with a part-time contract.

Of particular concern is the situation in the Mediterranean countries. In these countries, not only is the entrance rate of the newly graduated very low, but the type of contract held by those who succeed in entering the labour market is often temporary and non-voluntary. As available literature shows, the 'last in, first out' principle frequently comes into play, with young workers often among the first to lose their jobs, for instance due to non-renewal of their temporary contracts. The low labour market participation rate of young people and their unstable attachment is a source of great concern as young people are at a very high risk of postponing their transition to adulthood.

Country	Permanent full time	Permanent part time	Permanent non- voluntary part time	Temporary full time	Temporary part time	Temporary non- voluntary part time	Non- voluntary temporary full time	Non- voluntary temporary part time	Non-voluntary temporary non- voluntary part time
AT	73.1	6.1	3.4	12.8	1.4	0.6	2.0	0.4	0.3
BE	57.9	7.0	1.8	5.5	0.5	0.2	20.3	3.6	3.2
BG	92.1	0.0	0.0	4.1	0.0	0.0	3.9	0.0	0.0
CY	72.7	1.2	5.0	3.8	0.6	0.0	14.0	0.0	2.7
CZ	72.9	1.6	0.7	1.0	0.8	0.4	20.7	0.0	2.0
DE	58.0	4.1	3.3	26.3	1.5	0.8	4.1	0.6	1.3
DK	69.1	5.4	6.7	5.0	0.7	0.6	8.0	1.2	3.4
EE	88.8	3.9	0.5	5.9	0.0	0.0	1.0	0.0	0.0
EL	53.0	2.0	11.3	10.3	2.9	1.1	11.7	0.2	7.4
ES	13.8	1.0	1.4	17.5	3.3	4.1	41.7	0.9	16.4
FI	43.5	2.5	11.3	10.2	0.5	1.5	27.6	0.0	3.0
FR	50.4	2.9	3.5	13.1	1.4	1.5	20.8	1.3	5.3
HU	71.2	0.5	1.4	14.5	0.0	0.1	10.8	0.1	1.4
IE	53.2	6.0	11.7	11.1	3.7	3.4	5.4	1.2	4.4
IT	26.2	1.8	7.0	29.4	0.3	3.8	25.4	0.3	5.8
LT	84.5	2.6	6.7	3.9	0.0	0.0	1.9	0.0	0.4
LU	59.1	1.8	3.1	13.8	1.9	1.0	12.6	0.9	5.8
LV	88.8	0.0	1.9	1.8	0.0	0.0	5.3	0.0	2.3

Table 6: Type of contract held by school-leavers within one year (%)

Country	Permanent full time	Permanent part time	Permanent non- voluntary part time	Temporary full time	Temporary part time	Temporary non- voluntary part time	Non- voluntary temporary full time	Non- voluntary temporary part time	Non-voluntary temporary non- voluntary part time
MT	68.3	3.8	7.2	12.2	1.4	0.0	5.8	0.0	1.3
NL	35.9	14.3	6.6	14.1	10.5	2.7	7.9	3.0	5.0
PL	39.8	0.9	0.9	26.3	0.9	0.8	27.7	0.5	2.2
PT	28.8	0.2	0.8	21.7	0.4	0.4	37.4	1.4	8.8
RO	93.0	0.0	0.7	2.2	0.1	0.0	3.8	0.3	0.0
SE	37.5	2.6	4.7	13.2	4.0	3.9	19.8	7.0	7.3
SI	36.0	1.2	0.0	56.0	6.8	0.0	0.0	0.0	0.0
SK	73.8	0.7	0.2	1.5	0.0	0.7	17.2	2.6	3.4
UK	67.5	9.3	8.7	4.0	1.7	0.1	4.9	0.4	3.3
EU27	53.2	4.4	4.3	16.0	1.8	1.2	14.1	1.1	3.9

Source: Eurofound calculations based on data from Eurostat 2011 EU-LFS

## A global overview of transitions

This chapter has focused on the school-to-work transitions of young people in Europe using five indicators drawn from the EU-LFS:

- average time completing education;
- proportion of students combining work and education;
- average time starting the first job;
- proportion of school-leavers in employment one year after completing education;
- type of contract held by the new entrants.

As indicated in available literature, the existence of different dynamics within EU Member States clearly emerges from the analysis. In particular, a smoother entrance into the labour market is recorded in those countries with a strong dual educational system, or with a more general occupational labour market (such as the Nordic countries, Austria and Germany). In line with Marsden (1990), and with Gangl (2001b), young people in southern European countries have the greatest difficulty in entering the labour market: this appears to be slow and problematic, with just 50% of school-leavers entering the labour market within one year. Between these two extremes lie the other countries characterised by a more general internal labour market: namely western continental countries and eastern European countries, with a differentiation arising between the Baltic states and the other eastern countries.

As highlighted earlier, school-to-work transitions are essential for a successful transition to adulthood. In fact, having access to paid work and a stable job is found to be the main determinant for allowing young people to afford to live independently, to live with a partner or to become parents. The two sets of indicators investigated in this and the previous chapter complement each other and may give the full picture of the dynamics at the Member State level of young people's transitions. The result is an interesting map showing that the different aspects of the transitions are clearly linked and identifying different patterns among Member States (Figure 7).

This section provides a description of these complementary findings by clustering the Member States into seven distinct groups. While some heterogeneity is observed within each group, there is a greater degree of similarity in terms of characteristics and dynamics.

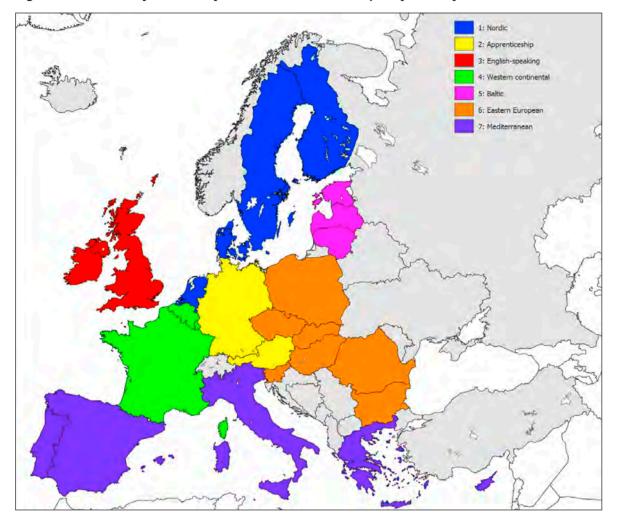


Figure 7: Different dynamics of youth transitions in Europe, by country cluster

Source: Eurofound elaboration

#### **Nordic cluster**

The first group of countries revealing similar dynamics is the Nordic cluster, which comprises Denmark, Finland, the Netherlands and Sweden. The school-to-work transition of young people in this cluster is characterised as being quick and rather successful. In fact, the average time taken to find a first job is considerably lower than the EU average in all these countries. Moreover, in the Nordic cluster, the proportion of school-leavers who are employed one year after completing their education is the highest in the EU. This cluster occupies four of the first six positions at the top of this indicator.

However, the proportion of school-leavers holding a permanent full-time job is only about 40%, or less, in Finland, the Netherlands and Sweden. Other types of contracts, such as temporary or permanent part-time jobs are common in this cluster. This cluster's quick and successful transition rate may be explained by the high proportion of students who combine work and education, which is well above the EU average in all these countries and which smooths the transition from school to work. The number of hours worked by students is limited, well below the EU average, and supposedly allows a successful combination of labour market experience and education. However, and despite

the limitations of the indicator, Nordic countries are also characterised by the fact that school-leavers are older. This is particularly true for Denmark, Finland and the Netherlands, although the average age of finishing education in Sweden is much closer to the EU average.

As highlighted earlier, and perhaps due to the quick and rather successful transition from education to paid work, the countries in the Nordic cluster also reveal common patterns in the transition to adulthood. In particular, young people in these countries are the youngest in Europe to leave home, with 50% of them leaving home at the age of 20 in Finland, Denmark and Sweden. In all these countries, young people live alone for several years before cohabiting with a partner. This is then followed by several years before they become parents. Some 50% of young people enter parenthood before the age of 33 for men and 30 for women in Denmark, Finland and the Netherlands. This decision comes slightly sooner in Sweden, at an average age of 31.8 for men and 28.8 for women.

## **Apprenticeship cluster**

The second group of countries with strong internal similarities are Austria and Germany, characterised by their dual educational system and referred to in literature as the apprenticeship countries. Similarly to the previous group, the apprenticeship cluster is characterised by a quick and successful transition from school to work. In particular, the average time in finding a job is well below the EU average, while the proportion of school-leavers employed one year after graduation is among the highest in Europe.

However, unlike the Nordic cluster, the majority of the school-leavers who are employed one year after graduation hold a permanent job and very few have a non-voluntary temporary contract. This cluster is also characterised by an above EU average proportion of students who combine work and education. Again, unlike the Nordic cluster, and probably as a result of the dual educational system, the average number of hours worked by students is well above the EU average.

This good performance in the school-to-work transition and the quick access to paid work is also reflected in the more general transitions to adulthood. In this cluster, 50% of young people leave home at the age of 24 or 25 for young men and 22 or 23 for young women. In both countries, young people live alone for some years before cohabiting with a partner. There is then a period of some years before they become parents. This happens in Austria at the age of 33 and over for men and 30 for women, while it happens a little bit later in Germany.

#### **English-speaking cluster**

A third cluster revealing common patterns is the English-speaking cluster of Ireland and the UK, although these countries have a lower degree of consistency in comparison with the previous cluster and particular differences are observed for the transition to adulthood. While the crisis has worsened the situation for young people particularly in Ireland, transitions from school to work in this cluster were also quite quick and successful. In particular, the average time of four months or less before starting a first job in this cluster was less than the EU average of slightly more than six months. Moreover, the proportion of school-leavers who are employed one year after finishing education is more than 70% in the UK while in Ireland, as a result of the crisis, it decreased in 2012 to 60%, below the EU average.

In both countries, which have low employment protection, the majority of school-leavers in employment hold a permanent full-time job and only a few have a non-voluntary temporary contract, either full or part time. The proportion of students who work is above the EU average while, and unlike the apprenticeship cluster, their average worked hours is below the EU average.

Moreover, compared with the previous two clusters, young people in the English-speaking cluster are younger, on average, when they finish their education. In particular, in the UK, the average age of leaving education is around 20, well below the EU average. In terms of transitions to adulthood, the age at which 50% of young people leave home is similar in both countries: between 25 and 26 for young men and between 23 and 24 for young women. However, the countries then differ. In the UK, cohabiting with a partner happens at the age of 27.7 for men and 25.4 for women, followed by becoming parents at the ages of 33.6 and 29.2, respectively. In Ireland, cohabiting with a partner and parenthood coincides. In fact, the age at which 50% of young Irish people live with a partner is the same age at which 50% of young Irish have children: 29 years for men and 27.8 for women.

## Western continental cluster

Despite some heterogeneity, several western continental countries, namely Belgium, France and Luxembourg, constitute the fourth cluster. Countries in this cluster share some similarities with the previous clusters in the general transitions to adulthood but reveal a more mixed and, in some cases, slower transition from school to work. In these countries, the average time from finishing education to starting a first job ranges between 5.1 months in Luxembourg to 5.6 and 5.8 months in Belgium and France, respectively. This is below the EU average but above the average of most of the countries in the previous clusters. Moreover, while more than 70% of school-leavers in Belgium and Luxembourg are employed one year after graduation, this value in France is well below the EU average.

In this cluster, the type of job mostly held by school-leavers is permanent and full time. However, at least 12% of school-leavers in this cluster who work have a non-voluntary temporary full-time contract. And, unlike the previous cluster, the proportion of students who combine work and education is well below the EU average, particularly in Belgium and Luxembourg. In this cluster, the employed school-leavers' average number of hours worked is around the EU average – slightly below average in France, but slightly above in Belgium and Luxembourg.

In terms of general transitions to adulthood, both for young men and women, the age at which 50% of young people leave home is below the EU average in Belgium and France but is higher in Luxembourg. However, all these countries are similar in that young people leave home and then live for a certain period alone before cohabiting with a partner. This occurs some years before parenthood which happens for 50% of young people earlier in France (32.4 for men and 28.8 for women) and at around the EU average for Belgium and Luxembourg (34.2 and 34.5 for men, and 29.4 and 29.8 for women, respectively).

### **Baltic cluster**

The fifth cluster is comprised of the Baltic Member States. Estonia, Latvia and Lithuania show common characteristics in terms of their youth transitions, which separates them from the other eastern European cluster. According to the 2009 EU-LFS AHM, the average time before starting work after finishing education was 4.2 months in Lithuania, 4.3 months in Estonia and 5.7 months in Latvia, against the EU average of 6.5 months. However, the proportion of school-leavers employed within one year is, in general, below the EU average: this proportion matches the EU average in Lithuania but falls below it in Estonia and Latvia.

However, almost all school-leavers who are employed one year after graduation hold a permanent and full-time job. The Baltic countries show the highest proportion in the EU of this form of employment for school-leavers. The average age of finishing education in Latvia and Lithuania is slightly above the EU average, and in Estonia it is around the EU average. Similar trends can also be seen with

the proportion of students who combine work and education where, as with the previous cluster, the proportion is below the EU average; this holds true especially for Latvia and Lithuania, whereas the proportion in Estonia is about the EU average. However, working students, on average, work longer hours than the EU average. This is the case for all the countries in the cluster. In terms of school-to-work transitions, the dynamic in the Baltic countries differs from the previous clusters, especially in Latvia and Lithuania.

While the age at which 50% of young people leave home is around the EU average (lower in Estonia and slightly higher in Latvia), this event is very shortly followed by the decision to cohabit with a partner. This seems to indicate that, unlike the previous clusters, young people who leave home in this cluster generally move in with a partner. This event is then followed after a few years by parenthood, which in all these countries happens before the age of 30 for men and around 27 for women. The Baltic countries are among those recording the lowest median age of entering parenthood.

#### Eastern European cluster

The sixth cluster is represented by the other eastern European countries, namely Bulgaria, the Czech Republic, Hungary, Poland, Romania, Slovakia and Slovenia. These countries have a greater degree of heterogeneity than previous groups but also some marked commonalities. With some exceptions (for example, the Czech Republic), school-to-work transitions appear quite protracted, especially in Bulgaria and Romania where school-leavers wait eight months or more, on average, to start work. Furthermore, the proportion of school-leavers who are employed one year after education is indeed limited for most of the countries in this cluster. This is especially true for Bulgaria, Hungary, Romania and Slovakia, while the Czech Republic again shows a different performance in line with Belgium and the UK.

On average, the majority of those school-leavers who are employed have a permanent full-time contract, and few school-leavers have a part-time job – a very different situation to that in the Nordic group, for example. With the exception of Slovenia, few students in this cluster combine work and education (the proportion is well below the EU average) and, more remarkably, the few students that do combine work and education work on average very long hours. This reveals that, for them, the priority is work and not education and it also probably indicates an unhealthy combination of school and work experience that can lead to the decision to drop out of school.

In terms of the more general transition to adulthood, the age at which 50% of young people leave home is well above the EU average in all the countries in this cluster. In particular, for men it ranges from 28.1 in the Czech Republic to 34.5 in Bulgaria, while for women it varies from 25.3 in the Czech Republic to 28 in Slovakia. As with the Baltic Member States, leaving home is very quickly followed by cohabiting with a partner. It is important to highlight that in some countries a rather large proportion of young people live with their parents and a partner for a period of time. This phenomenon seems to be more common in Bulgaria, Poland and Romania. Parenthood occurs earlier than the EU average in all the countries in this cluster. The age at which 50% of young people have children varies as follows: for men, from 31.4 years of age in Poland to 34.2 in Slovenia, and for women, from 27.3 in Bulgaria to 29.8 in Slovakia.

### Mediterranean cluster

The last cluster comprises the Mediterranean countries of Cyprus, Greece, Italy, Malta, Portugal and Spain. With the exception of Malta, these countries show a similar and consistent pattern characterising the school-to-work transitions and the more general transitions to adulthood. These

countries are characterised by very slow and difficult transitions from school to work and the labour market attachment of young people seems rather problematic. According to the 2009 EU-LFS AHM, the average time before starting a job in the Mediterranean countries is among the longest in Europe. For example, school-leavers in Italy take an average of 10 months or more to get their first job while in Greece they take 12 months or more. Similarly, the proportion of school-leavers who are employed one year after finishing education is among the lowest in Europe. In particular, just 45% (or less) of school-leavers have entered employment one year after finishing education in Greece, Italy and Spain. This is about half the proportion of those getting their first job in the Netherlands. However, the type of jobs that these new workers get is also of particular concern.

According to the EU-LFS, less than a quarter of school-leavers employed one year after graduation have a permanent full-time contract. More than 50% of the total have a temporary full-time contract, with more than half of them on a non-voluntary temporary contract. There is also a large proportion on non-voluntary part-time and non-voluntary temporary contracts, which is probably the most difficult attachment to the labour market. Mediterranean countries also have a very low proportion of students, well below the EU average, who combine work and education. Moreover, as already observed in the eastern European cluster, the few students that do combine work and education work, on average, very long hours with again an increased risk of deciding to drop out of school.

In terms of the more general transitions to adulthood, young people from Mediterranean countries are, on average, the oldest in Europe to leave home. The age at which 50% of young people leave home in this cluster ranges from 28.2 in Cyprus to 30.3 in Malta for men and from 25.3 in Cyprus to 28 in Malta for women. After having left home, young people live alone for a limited number of years, before moving in with a partner. Then, unlike young people in the eastern European and Baltic clusters, they tend to wait for several years before becoming parents. The age at which 50% of young people in the Mediterranean cluster have children ranges from 32.8 in Cyprus to 37 in Italy for men and from 29.9 in Malta to 32.6 in Spain for women.

## Conclusion

This chapter has investigated indicators of school-to-work transitions and provided a picture of the different dynamics of youth transitions by taking into account the school-to-work transitions indicator together with the more general transitions to adulthood indicator analysed in Chapter 3. Despite the technical difficulties in measuring transitions, the two sets of indicators complement each other and provide an insight into the situation of young people in Europe. While it is traditionally said that young people's transitions to adulthood are mainly determined by the cultural environment and traditions, access to paid work and successful school-to-work transitions are also major determinants of access to independent living. It is not by chance that the countries showing more successful school-to-work transitions indicators are also those where young people leave home at a younger age, making the first step towards independent living and adulthood.

The indicators considered have suggested the existence of at least seven clusters with similar dynamics and patterns. These range from the Nordic cluster, where Member States are characterised by quicker transitions to adulthood, accompanied by quicker transitions from school to work, to the Mediterranean cluster, where school-to-work transitions are very difficult and problematic, together with very slow and late transitions to independent living and autonomy.

While more in-depth research would be required to add more definitive answers, the findings recall some of the clustering exercises performed in the literature, and help to better understand the

situation of young people by going beyond the simple employment/unemployment indicators and to understand more clearly the possible consequences of the high youth unemployment rate. This is of particular relevance for the Mediterranean cluster. While, for example, the increase in youth unemployment in the Nordic cluster is relevant as it revealed a problem practically unknown before the onset of the crisis, the indicators considered confirm that access to the labour market is still quite fluid in this cluster and that many young school-leavers are able to enter the labour market one year after finishing education. Conversely, the situation is quite alarming and dramatic for some of the Mediterranean countries. Here the very high unemployment rate and collapse in labour demand are squeezing a labour market that was already difficult for young people. This report has shown that, while the situation has worsened during the crisis, in 2011 only 50% of school-leavers in the Mediterranean cluster were employed one year after finishing education.

Unfortunately, most of those who are lucky enough to get a job do not have secure contracts and, in many cases, the already limited participation of Mediterranean young people in employment is by means of non-voluntary temporary contracts. It can be seen that there is a risk that this instability may have an impact on these young people's already delayed and postponed transition to adulthood. Although additional research is needed, the result of some of these young people's poor participation in the labour market may be additional delay and postponement of the already late transition to independent living and parenthood. There is even a risk that some of them will postpone parenthood indefinitely, which will have serious consequences for countries with an already skewed demographic structure and a low fertility rate.

## Persistence in employment of young workers

While the previous chapters dealt with school-to-work transitions and transitions into adulthood, this chapter focuses on the labour market trajectories of young workers once they are employed. This is very significant, because once young people access the labour market, they still need to gain a solid labour market attachment to successfully face continuing transitions into adulthood. However, remaining in employment is not an easy task for them, and the long-term employment of young workers, alongside their access to the labour market, is an issue of concern.

As shown in Chapter 1 (see Table 3), younger workers are much more affected by unemployment, are more likely to find themselves in non-standard forms of employment (temporary contracts and part-time employment) and are more likely to change jobs (whether voluntarily or involuntarily).

The current economic crisis has hit young people badly and it has not been easy for young people in recent years to get a job (Verick, 2011; Bell and Blanchflower, 2011). Those who have shorter employment records are a vulnerable group in the labour market. Younger workers need to reinforce their labour market attachment in order to progress in their careers and face essential steps in life such as living by themselves or starting a family, but in reality this can be difficult. Workers with shorter job tenures are more likely to be laid off than their more experienced counterparts. Therefore, young people may typically be more negatively affected by depressed labour markets and face higher job instability. This is mainly the result of the 'last in, first out' principle applied by companies that need to restructure (Choudhry et al, 2012; Gangl, 2002).

Apart from being more affected by labour market turbulence, the fact that younger workers are more likely to be have non-standard forms of employment partially explains why they are more exposed to higher levels of job instability and may experience lower continued employment. Non-standard forms of employment are often seen as transitional jobs and thus may be interrupted by spells of unemployment, resulting in a higher proportion of younger workers shifting jobs in order to improve their labour market attachment.

Nevertheless, a higher proportion of people looking for jobs and shifting between jobs can also be the result of upward job mobility and voluntary decisions and does not need to be a negative feature for young workers. Empirical evidence shows that young people tend to do more 'job-shopping'. This means changing jobs more often since they are at the beginning of their careers and sampling the most suitable job that fits their skills and interests (Quintini et al, 2007). In any case, as a result of this higher job instability, research has shown that average job tenure for young workers declined in several countries during the 1990s (Auer and Cazes, 2003).

Therefore, unlike the previous chapters, this one will cover those young workers that already have a job, will describe the extent to which young people experience continued employment or experience transitions out of employment, and will analyse the factors that may influence their likelihood of remaining employed.

While the previous chapters used data from the EU-LFS, the empirical approach in this chapter requires data providing information on the labour market status of individuals over a number of years. With this aim, the analysis will exploit the longitudinal data from EU-SILC, which forms the basis of an analysis of yearly labour market transitions and provides data for all EU27 countries but Germany. The lack of data for Germany and the much smaller country samples in EU-SILC than the EU-LFS does not allow for the use of the same country clusters that have been presented so far, and new country clusters will be built for the current analysis.

This part of the study will focus on young workers aged 15–29<sup>5</sup> and the analysis of their transitions will be split in two parts with complementary objectives:

- mapping employment persistence and transitions from employment to non-employment, distinguished by type of contract;
- identifying the most important factors explaining the likelihood of young workers remaining in employment, through a multivariate statistical analysis.<sup>6</sup>

## Trends in employment persistence of young workers

In order to understand the stability of young workers' employment, and to what extent they are able to remain in the labour market, the EU-SILC longitudinal data are used. As highlighted in previous chapters, data on labour market transitions can provide a rich picture of the employment trajectories of young workers in Europe, and how they are affected by the current crisis.

Information on young workers' employment stability is presented here by calculating employment persistence and yearly transition rates from employment to other labour market statuses. In order to do so, three labour market statuses are defined:

- employed (including apprentices or trainees receiving remuneration);
- unemployed or inactive, other than students;
- students (those in education or unpaid work experience).

The EU-SILC variable used in the analysis refers to the self-perceived current economic status of the respondent. Young students combining education and employment could report different statuses, depending on their particular situation and personal priorities. In order to grasp the impact of the crisis on the labour market dynamics of younger workers, the analysis will focus on two periods: between 2006 and 2007 (pre-crisis period) and between 2008 and 2009 (crisis period).

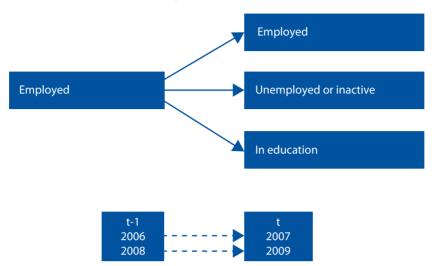
Figure 8 presents the analytical approach in graphical format. Focusing the analysis just on the cohort of young people who are employed at the beginning of each period (2006 and 2008, respectively), information is provided about what their economic status is one year after (2007 and 2009 respectively). In particular, the focus is on the proportion of those who:

- are still employed;
- exit from the labour market becoming unemployed or inactive;
- have left the labour market and gone back into education.

In this way, one can derive the rate of persistence in employment (the proportion of those that remain employed one year after), the transition rate from employment to unemployment (the proportion of those that are unemployed or inactive one year later) and the transition rate from employment to education (the proportion of those that are students one year after).

<sup>&</sup>lt;sup>5</sup> The age group covered in this chapter is 15–29, since many tertiary graduates enter employment late because they stay in education and would not be fully captured using the age group 15–24.

<sup>&</sup>lt;sup>6</sup> Young workers are defined as those aged 15–29 years. But since longitudinal data are used for the analysis of transitions over a period of time, individuals that are up to age 29 in the year when they start the transition will be included, and therefore will be older in the last year of the transition observed (30 years old when looking at two-year transitions).



## Figure 8: Labour market transitions analysis, 2006–2007 and 2008–2009

Source: Eurofound elaboration

Some methodological limitations need to be highlighted. The analysis is done using annual information on labour market status, provided by EU-SILC data, which is reported by surveyed individuals at the time of the interview. Importantly, the young people in the sample for this study provide information on labour market status in two consecutive years, but they may have experienced a different status in between for certain months. It is not possible to distinguish between these situations. Moreover, young people in apprenticeships or traineeships are considered as temporary employees since EU-SILC data do not allow for a straightforward differentiation.

	Transitions 20	06–2007			<b>Transitions 20</b>	08–2009	
Status 2007	Employed	Unemployed	Student	Status 2009	Employed	Unemployed	Student
Employed in 2006				Employed in 2008			
EU	90.5	6.9	2.6	EU	86.7	10.4	2.8
Men	92.2	5.5	2.3	Men	87.1	10.1	2.8
Women	88.3	8.8	2.9	Women	86.2	10.9	2.9
Low-educated	89.2	9.3	1.5	Low-educated	79.7	17.5	2.8
Mid-educated	89.6	7.1	3.3	Mid-educated	86.7	9.9	3.5
Highly educated	93.6	4.8	1.7	Highly educated	92.0	6.6	1.5
15–19	75.0	10.1	14.9	15–19	71.7	15.9	12.4
20–24	87.1	8.5	4.4	20–24	83.7	12.2	4.2
25–29	93.1	6.0	1.0	25–29	90.4	8.7	0.9

Table 7: Labour market transitions for the EU27 (%)

*Notes:* For labour market transitions between 2006–2007 and 2008–2009, calculations exclude Germany (no data available for any year) and Bulgaria, Malta and Romania (excluded because there were no data available for transitions in 2006–2007). Educational levels are split as follows: low-educated means up to lower secondary education (ISCED levels 0–2); mid-educated means up to post-secondary non-tertiary education (ISCED levels 3 and 4); and highly educated means tertiary education (ISCED levels 5 and 6).

Source: EU-SILC

Table 7 presents the results of the analysis of the two periods. A breakdown of the figures depicts information on labour market trajectories in the two periods analysed, and it differentiates by gender, educational levels and age of workers. In the period before the crisis (2006–2007), the overall employment permanence rate over one year was above 90% in the EU, meaning that about 9 out of 10 young people employed in 2006 were still in employment in 2007. Men, the highly educated and

relatively older workers (aged 25–29) registered higher rates of employment persistence. The impact of the crisis is evident by looking at the transitions in the 2008–2009 period: the rate of persistence in employment dropped to 86.7% in the EU and the most affected groups were men (since the initial phases of the crisis had a greater impact in male-dominated sectors such as manufacturing and construction) and lower-educated workers (almost 18% of them became unemployed).

Due to the much smaller country samples in the EU-SILC database than in the EU-LFS and the fact that data for Germany are not available, the country clusters referred to in previous chapters cannot be used. This chapter will use a clustering based on geographic proximity, which has been used in similar studies (Bachmann et al, 2011). It distinguishes between five groups of countries:

- Continental, including Austria, Belgium, France, Luxembourg and the Netherlands;
- Scandinavian, including Denmark, Finland and Sweden;
- Mediterranean, including Cyprus, Greece, Italy, Portugal and Spain;
- Central and Eastern European (CEE), including Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia;
- English-speaking, including Ireland and the UK.

Unlike the previous clustering and due to the small sample size, the Baltic countries are included in the CEE cluster. Grouping countries into clusters always involves some arbitrariness, as heterogeneity obviously exists between the countries pooled together and this may be especially large in the Continental cluster.

	Transitions 2	006–2007			Transitions 20	08–2009	
Status 2007	Employed	Unemployed	Student	Status 2009	Employed	Unemployed	Student
Employed in 2006				Employed in 2008			
EU	90.5	6.9	2.6	EU	86.7	10.4	2.8
Continental	92.9	5.1	2.0	Continental	89.2	8.8	2.0
Mediterranean	89.4	8.7	1.9	Mediterranean	83.5	13.8	2.7
Scandinavian	88.1	5.7	6.2	Scandinavian	83.6	6.8	9.6
CEE	90.7	7.9	1.5	CEE	88.7	9.9	1.4
English-speaking	89.3	5.8	4.9	English-speaking	86.9	8.8	4.4

Table 8: Labour market transitions, by country cluster (%)

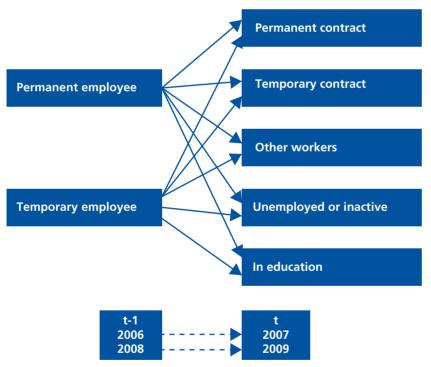
*Notes:* For labour market transitions between 2006–2007 and 2008–2009, calculations exclude Germany (no data available for any year) and Bulgaria, Malta and Romania (excluded because there were no data available for transitions in 2006–2007). *Source:* EU-SILC

Table 8 reveals that, before the crisis, Continental countries had the highest rates of employment persistence, while in Scandinavian countries the proportion of young workers remaining in employment was lowest, mainly due to the relative importance of transition into education (probably reflecting the higher proportion of people combining education and work). The CEE, Mediterranean and English-speaking countries were in the middle of the clusters in terms of employment persistence. Nevertheless, while transitions into unemployment were higher in the former two groups, transitions into education were more prominent in Ireland and the UK, where many early school-leavers typically reenter the education system after labour market experience. The impact of the crisis reduced persistence of employment rates across all countries, but was largest in Mediterranean countries, where transitions into unemployment jumped to almost 14% in 2008–2009.

#### Employment trajectories of young workers on temporary contracts

Given the growing importance of temporary employment among the young workforce, it is interesting to focus on the transitions of those who were employed with a temporary contract in 2006 (and 2009) and to investigate how many of them moved to a permanent contract, how many of them remained in the labour market with a temporary contract, and how many of them left the labour market one year later.

The debate around the use of temporary contracts is quite heated, especially in some countries. Many claim it may be crowding out standard forms of employment and increasing labour market segmentation between workers with stable jobs and good career prospects and those without. In many Member States, temporary jobs are often associated with lower wages and more difficult access to training opportunities and benefits (such as paid holidays, sick leave, unemployment insurance and other fringe benefits) (Eurofound, 2013). Therefore, they tend to involve lower job satisfaction compared with permanent jobs (Booth et al, 2002; OECD, 2002; Gash, 2008; McGovern et al, 2004; Gebel, 2009; European Commission, 2010a). However, recent research suggests that the outcomes of temporary employment should be compared with being unemployed. For instance, temporary employment seems to increase people's employment chances (Gebel, 2013).





Source: Eurofound elaboration

Nowadays, and as shown in Table 3 in Chapter 1, a significant proportion of the young working population holds temporary jobs and may need to transition between several of those jobs (perhaps interspersed with unemployment or further education and training) before obtaining regular employment. Therefore, a specific description of transitions, distinguishing between permanent and temporary contracts is highly relevant. As shown in Figure 9, the analysis focuses on the transition

from temporary work to other statuses, which include permanent and temporary contracts,<sup>7</sup> unemployment and education.

Table 9 presents the results for the EU as a whole, and for the country clusters in the two periods covered. While these results must be treated with caution due to some limitations on the data for some countries,<sup>8</sup> temporary employees are characterised everywhere by lower rates of permanence in employment and higher transition rates into unemployment in both periods. The crisis increased the proportion of temporary employees making a transition to unemployment (from 11.6% to 18.5%). It is interesting to note that more than a quarter of temporary employees in Europe moved to permanent contracts in 2006–2007, and this transition rate from temporary to permanent employment slowed down slightly to around 23% during the crisis period. This means the crisis affected young temporary workers more by increasing their layoff rates than by reducing their chances of finding permanent employment.

	Tra	nsitions from tempo	rary in 2006–2007		
Status in 2007	Permanent	Temporary	Other employed	Unemployed	Student
Temporary worker in 2006	;				
EU	25.9	57.3	2.0	11.6	3.3
Continental	18.9	65.9	2.6	9.2	3.4
Mediterranean	26.4	55.4	2.0	13.1	3.1
Scandinavian	27.1	51.6	1.5	8.5	11.4
CEE	33.4	50.9	1.1	12.4	2.2
English-speaking	40.9	30.3	0.2	13.0	15.5
	Tra	nsitions from tempo	rary in 2008–2009		
Status in 2009	Permanent	Temporary	Other employed	Unemployed	Student
Temporary worker in 2008	}				
EU	22.9	53.0	1.6	18.5	4.0
Continental	17.4	62.1	1.3	16.4	2.9
Mediterranean	20.2	50.1	1.6	23.8	4.4
Scandinavian	39.1	28.5	1.5	12.8	18.2
CEE	33.6	48.5	2.1	13.4	2.5
English-speaking	22.9	49.1	1.5	14.3	12.3

## Table 9: Labour market transitions from temporary contracts, by country cluster (%)

*Notes:* For labour market transitions between 2006–2007 and 2008–2009, calculations exclude Germany (no data available for any year), Bulgaria, Malta and Romania (excluded because there were no data available for transitions in 2006–2007) and Denmark and the UK (which presented problems with the variable for employment by type of contract). *Source:* EU-SILC

On the basis of the results by country cluster, two groups can be broadly distinguished based on the magnitude of the transition rates from temporary to permanent contracts when looking at both periods. These transition rates are highest in the CEE countries over the two periods. To a lesser extent, this transition rate is relatively high also in English-speaking and Scandinavian countries, although not so high in Scandinavian countries in the 2006–2007 period, and significantly reduced in the crisis period for the English-speaking countries (although data limitations must be taken into

<sup>&</sup>lt;sup>7</sup> The 'other employed' category covers employees with unknown types of contracts, self-employed people and family workers.

<sup>&</sup>lt;sup>8</sup> Data on transitions by type of contract must be treated with caution. For Finland, the Netherlands, Sweden, Slovenia and France (as well as others to a lesser extent), the variable type of contract presents a high number of non-responses. Moreover, Denmark and the UK are excluded from calculations since no temporary employment is registered in Denmark in EU-SILC, while no data were provided by the UK in 2008.

account).<sup>9</sup> Continental and Mediterranean countries depict the lowest transition rates for temporary employees into permanent jobs over the two periods, reflecting a possibly higher degree of labour market segmentation in these countries.

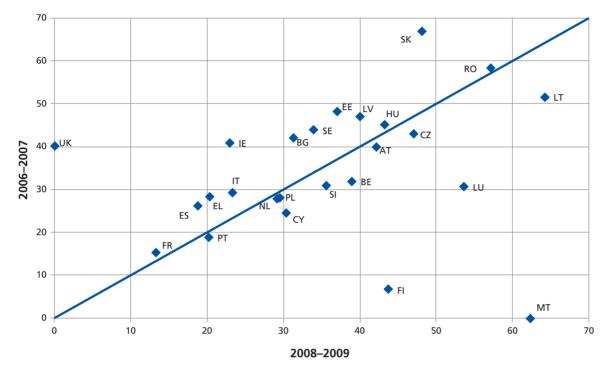


Figure 10: Transition rates from temporary to permanent contracts, by period of review (%)

*Notes:* Transition rates for Bulgaria and Romania in the period 2006–2007 refer in fact to data for the period 2007–2008. Data for the UK in 2008–2009 and for Malta in 2006–2007 are missing, so a value of 0 is represented in order for the graph to be able to depict the other period for which data are available. *Source:* EU-SILC

The role played by temporary contracts to ease the entrance into permanent employment is better approached by providing detailed country information on transition rates from temporary to permanent jobs, as shown by Figure 10. Taking the two periods into account, two groups of countries are distinguished. First, transition rates from temporary to permanent positions are high in all CEE countries except Poland and Slovenia, and to a lesser extent in Sweden, Ireland and the UK before the crisis.<sup>10</sup> Secondly, transition rates are relatively lower in:

- all Mediterranean countries but Malta;
- France, the Netherlands and, to a lesser extent, Belgium within the Continental countries;
- Poland and Slovenia within the CEE countries.

<sup>&</sup>lt;sup>9</sup> Data for the English-speaking countries in the table refer only to Ireland (data for the UK are available only for 2006–2007, in which the transition rate was relatively high at 40%). Data for the Scandinavian cluster are problematic since Denmark has been excluded and Finland and Sweden data must be considered with care, due to the high level of non-responses. In fact, the relatively lower transition rates from temporary to permanent jobs in 2006–2007 is mainly due to the unreliable data for Finland, as will be shown.

<sup>&</sup>lt;sup>10</sup> Finland is characterised by high transition rates in the crisis period, but not before. Data for Finland are to be treated with caution as the very low value for the 2006–2007 period seems unreliable. Data on this for Denmark are missing.

Importantly, a strong negative association exists between the incidence of temporary employment and the transition rates from temporary to permanent jobs. It is mainly in those countries characterised by a low incidence of temporary employment where transitions from temporary to permanent jobs are higher, while these transitions are lower in countries where temporary employment is more common. This is probably explained by the fact that in countries where a partial deregulation of labour markets has taken place (easing employment protection laws for temporary contracts), temporary employment expands while mobility between temporary and permanent job segments is reduced.

## Investigating determinants of youth persistence in employment

The general persistence rates observed in Europe, and presented above, help depict the general situation of young workers and the additional problems and difficulties faced by them and their attachment to the labour market. However, it is important to investigate in greater depth the possible determinants that affect young workers' persistence in employment.

To do this, a statistical analysis, based on logistic multivariate regression models, has been conducted over the two periods (2006–2007 and 2008–2009). The analysis investigates the effects of several factors that may influence the likelihood of a young worker remaining in employment, while controlling for all the other, more general, sociodemographic characteristics.

Given the small sample size, from those young workers employed at the beginning of each of the periods (in 2006 and 2008), two situations are possible one year later (in 2007 or 2009, respectively). Either they have remained in employment or they have made a transition out of employment, either into unemployment or into education. Hence, the dependent variable in the logistic regressions is binary, holding a value of 0 if a worker analysed at the beginning of each period is not in employment at the end of the period (in 2007 and 2009), and 1 if the worker is still in employment.

Three broad types of explanatory variables are used in the model:

- personal-related variables (age, gender, educational level, marital status and health);
- household-related variables (household deprivation index, relatives living in the household and whether the young individual is the father/mother of a child living in the household);
- job-related variables (employment standard, occupation, work experience, working hours and job change).

Data for all these variables refer to the year when the two periods of study begin (2006 and 2008). Additionally, a variable on the labour market status previous to the period under consideration is used (in 2005 and 2007).

In particular, information on types of employment and contract has been modelled in a new variable named 'employment standard'. This new variable differentiates between:

- full-time and permanent workers, including self-employed and family workers working full time;
- full-time temporary employees;
- part-time permanent workers, including self-employed and family workers working part time;
- part-time temporary employees.<sup>11</sup>

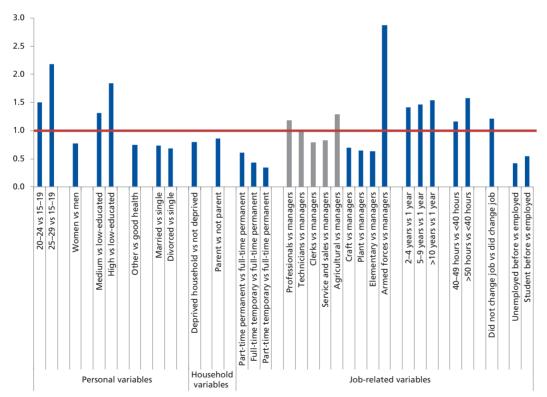
<sup>&</sup>lt;sup>11</sup> An extra category is included to cover those employees not providing information on their type of contract, thus preventing the deletion of cases.

The 'household deprivation index' indicates to what extent the household in which young individuals live can afford several items generally considered desirable to enjoy adequate living standards. Following the indicator applied by Eurostat (2010), the index considers as deprived those households that can only afford three or less of the following items: to pay their rent, mortgage or utility bills; to keep their home adequately warm; to face unexpected expenses; to eat meat or proteins regularly; to go on holiday; to be able to afford a television set, a washing machine, a car, or a telephone.

While the detailed estimated results for both periods are presented in Annex 2 for the EU, in this section the discussion focuses only on the results for the crisis period (2008–2009). Then the results will be introduced for the EU as a whole with an explanation of some of the differences between the country clusters.

Figure 11 presents the odds ratios of the logit estimation for the EU as a whole in the 2008–2009 period. Each bar in the chart represents the factor change in the odds of remaining employed associated with each category compared with the reference category, holding the other explanatory variables fixed. For instance, the odds of remaining in employment is 1.5 times (or 50%) higher for European workers aged 20–24 than for those aged 15–19 (see Annex 2); in other words, being 20–24 years old instead of 15–19 increases the likelihood of employment persistence. However, if the odds ratio is below 1, it means the odds would be lower: for instance, the odds ratio of 0.78 for women versus men means that the odds of remaining employed are 0.22 times (or 22%) lower for female than male workers.





*Notes:* Blue denotes coefficients that are significant at the 0.05 level (the difference between that category and the reference category is very significantly different from 0); and grey when they are not statistically significant at the 0.1 level. Some of the variables (relatives the worker is living with in the household and the category of employees with unknown contracts within the employment standard variable) are not depicted here due to lack of statistical significance. For detailed results, see Annex 2. *Source:* EU-SILC

Personal-related variables are important in explaining the odds of young workers remaining in employment during the crisis period, since all variables are very significant statistically (and therefore the odds ratio is very different from 1).

- Compared with the teen segment aged 15–19, workers aged 20–24 and especially those aged 25–29 were much more likely to remain employed during the crisis period (1.5 and 2.2 times higher odds, respectively).
- Young female workers were less likely than males to remain employed and therefore were more likely to transition out of employment. Despite the strong impact of the early stages of the crisis on male employment, once all other variables are taken into account, results show that female workers were more likely to exit employment, all other things being equal. The breaks in female trajectories due to pregnancy may significantly account for this result.
- Workers with medium and especially higher levels of education were much more likely to remain employed than lower-educated workers (30% and 80% higher, respectively).

Household-related variables are generally significant as well, although somewhat less than personalrelated variables: young workers belonging to a deprived household were 20% less likely to remain employed; parents with a child in the household were 14% less likely to remain employed, probably reflecting the break in trajectories due to family commitments.

Job-related variables are important factors to explain trends in labour market trajectories and results show they are statistically very significant. Some of the main variables are outlined below.

- When compared with standard employment (considered as full-time employment in permanent contracts), results clearly show that the less standard employment becomes, the much lower the odds of remaining in employment and the much higher the odds of leaving employment. This drawback of non-standard employment in terms of employment security seems very important: compared with workers in standard employment, part-time temporary employees were 65% less likely to remain employed during the crisis.
- Compared with legislators, senior officials and managers, workers in lower-skilled occupations had a much lower likelihood of remaining employed during the crisis, while armed forces workers were characterised by much higher levels of job security.
- Compared with those already employed before the 2008–2009 period of study (in 2007 in this case), the chances of leaving employment are higher among those individuals with a record of unemployment/inactivity and education.<sup>12</sup> This clearly points to the existence of state dependency in labour market statuses, which was stronger during the crisis period for people in the unemployment status: those with a record of unemployment were 60% less likely to remain employed than those that had been previously employed. Therefore, these results suggest that avoiding episodes of unemployment is very important for young people in attaining successful future labour market trajectories. Experiences of unemployment negatively affect young people's career prospects and future labour market attachment.

<sup>&</sup>lt;sup>12</sup> Although not discussed here, when distinguishing between transitions out of employment, results show that individuals with a past NEET status are much more likely to transit from employment to the NEET status again, while transitions back into education are much more likely for those individuals who had previously been studying.

## **Results by country clusters**

When looking at the results of the multivariate model for the period 2008–2009, it is important to note that they are broadly similar; that is, the factors explaining the probabilities of remaining in employment seem generally consistent among all country clusters. Nevertheless, some noteworthy differences between them deserve some attention.

Regarding personal variables, the lower odds of remaining employed for female workers seem to be mainly explained by the CEE countries, while this effect is not statistically significant for any other country cluster. Moreover, the effects of some of the variables are generally statistically significant except in the case of age in the English-speaking countries (Ireland and the UK) and marital status in the Mediterranean countries.

Household-related variables seem to be especially significant in certain clusters: the negative effect of being from a deprived household is strong and very significant in Continental and CEE countries (and Mediterranean countries, to a lesser extent); living with a partner working full time, or part time especially, seems to have an important effect on increasing the odds of remaining employed only in the English-speaking countries;<sup>13</sup> being a parent to a child in the household is associated with lower odds of remaining employed only in English-speaking countries, where many studies have documented a significant proportion of young people having children very early and experiencing poor labour market prospects.

Regarding job-related variables, the lower odds of remaining in employment associated with lowerskilled occupations apply only broadly to CEE countries. The positive effect of longer work experience is not statistically significant in English-speaking and Scandinavian countries, and the same applies to CEE countries for the variable on longer working hours. The higher odds for workers that changed jobs of remaining employed is a very strong effect in English-speaking and, to a lesser extent, in Continental countries.

However, the importance of the variables of employment standard and previous labour market status to explain employment persistence is further confirmed by the very similar results between different country clusters, as shown by Figure 12. The drawback of non-standard employment in terms of employment security is very relevant for all country clusters, except the English-speaking countries. Moreover, results are consistent, since the less standard the employment category, the lower the odds of remaining employed across all country clusters. Lastly, the existence of state dependence is obvious across all country clusters; workers with a record of inactivity, especially unemployment, were more likely to make a transition out of employment in the crisis period, although the effect is strongest in the English-speaking countries and less statistically significant in Scandinavian countries.

<sup>&</sup>lt;sup>13</sup> Two facts may explain this effect. Selection effects may explain that people with high probabilities of remaining in employment marry each other. However, individuals in a couple working part time probably find their family and childcare responsibilities eased, therefore increasing their employment security.

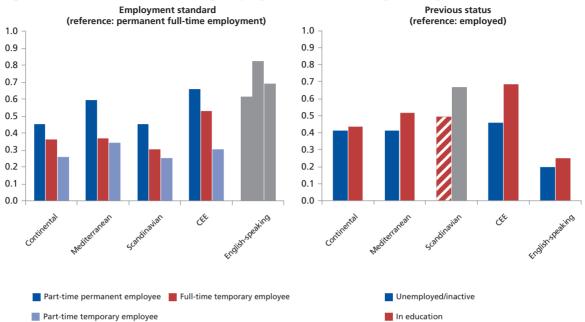


Figure 12: Likelihood of remaining employed in 2008–2009, by country cluster

*Notes:* The bars are fully coloured when coefficients are significant at the 0.05 level (the difference between that category and the reference category is very significantly different from 0); striped when they are significant at the 0.1 level; and grey when they are not statistically significant at the 0.1 level. *Source:* Eurofound elaboration

## Conclusion

Once young people have had their first labour market experience, they still need to gain a solid labour market attachment with good career prospects to continue their transitions into adulthood. This may not be easy since they are more affected by:

- the 'last in, first out' principle applied by companies;
- non-standard forms of employment (despite their 'job-shopping'), resulting in them having a relatively higher incidence of job change and transitions out of employment.

This chapter has analysed the employment persistence for young workers and to what extent they may be affected by transitions out of employment in two periods, before the crisis (2006–2007) and during the onset of the crisis (2008–2009). Young people's transition experiences have worsened in the crisis period: their rates of permanence in employment have been reduced, while transitions out of employment have gained importance. Continental countries are characterised by the highest employment persistence, while transitions into education are significant in Scandinavian and English-speaking countries. Mediterranean and, to a lesser extent, CEE countries are characterised by relatively high transitions from employment to unemployment for young workers.

Temporary employment is generally considered an involuntary situation, typically associated with poorer working conditions than permanent employment. The main concern is to what extent these contracts ease access to standard forms of employment. Temporary employees show lower persistence in employment and are therefore more affected by transitions out of employment, especially in the crisis period and in Mediterranean countries. Around a quarter of temporary employees transitioned

into permanent contracts in 2006–2007 and less than that during the crisis period. Moreover, it is very interesting to note that the role of temporary employment as a way to ease access to standard forms of employment operates better in those countries characterised by a lower incidence of temporary employment. At the one extreme, CEE countries are generally characterised by a lower incidence of temporary employment, while they register the highest transition rates from temporary to permanent contracts. At the other extreme, Mediterranean and Continental countries are generally characterised by a high incidence of temporary employment and low transition rates from temporary to permanent contracts.

Multivariate logistic regressions have been used to identify factors affecting the probabilities of young workers remaining employed. The results are remarkably similar among country groups. Personal-related variables, such as the level of education, age, health condition, work experience and working hours, generally increase the probability of staying in employment. However, young female workers are more likely to leave employment than young males. Moreover, young workers belonging to a deprived household were less likely to remain employed during the crisis period.

Job-related characteristics are very important to explain employment persistence. Importantly, when employment becomes less standard (other than full-time permanent employment), the probabilities of leaving employment clearly increase. Moreover, results strongly highlight the existence of state dependence in labour market statuses: the probability of becoming unemployed is much higher among those young individuals with previous experience of unemployment, and this effect has become more evident during the crisis.

Therefore, a smooth integration of young people into labour markets and avoiding experiences of unemployment seems crucial, which points to the great importance of addressing the challenge posed by the current record levels of youth unemployment in the EU. Policy measures, such as the future implementation of the European Youth Guarantee, ensuring that every young person in the EU is offered a job, further education or work-focused training within the first four months of leaving education or becoming unemployed, are most needed to avoid experiences of unemployment that may negatively affect young people's career prospects and future labour market attachment.

# Analysis and assessment of policies

Following the comprehensive and in-depth overview of youth transitions presented, the evidence shows that labour market transitions are strongly linked with the broader transitions into adulthood and argues that the two dimensions should be looked at together. Previous chapters have also outlined great differences among the Member States as far as the trajectories of the transitions are concerned. Policies and policy measures taken by the different stakeholders should address the particular challenges existing in the Member States such as tackling barriers for certain disengaged or disadvantaged groups or tackling particular areas of youth transitions. The Youth Guarantee is a major policy instrument that aims at ensuring that a young person finishing education moves into employment or further training. The European Commission has pledged considerable funding to make the scheme operational.

At the same time, apart from the Youth Guarantee scheme currently being rolled out, Member States have also been engaged in offering, financing and managing a range of programmes and measures to help facilitate smooth transitions from education to work as well as broader transitions into adulthood. These include measures aimed at particularly vulnerable groups, often with multiple disadvantages. This chapter presents an overview and examines the effectiveness of selected good practices and policy measures that promote smoother and more successful school-to-work transitions. It draws on national reports from seven Member States – Estonia, France, Germany, Italy, Romania, Sweden and the UK. These were compiled during the case study work undertaken in 2013 as part of this study by the consortium of the core partners – the UK Institute of Employment Studies (IES) and Italian Istituto per la Ricerca Sociale (IRS) – and the Estonian national expert. The analysis looked at programmes and policy measures that focused on the general youth population aged 18–29. Particular attention was also paid to the most disadvantaged young people and those that are furthest from the labour market, for example those with health problems, a migration background or multiple disadvantages.

The main aim of the research was to see how the school-to-work policy had been implemented at national level to create a smoother transition for young people. Some 21 diverse and innovative policy measures and programmes are described and analysed to pinpoint the key features that contributed to their success, including the characteristics of service providers, beneficiaries, their experiences and the success factors underlying their projects. Finally, the chapter takes into account the diversity of the youth population and the differences between the Member States, as demonstrated in the previous chapter, to investigate whether the policies and programmes do address the particular issues relevant to individual countries.

## Country and case study selection

The country selection was based on a number of criteria. First, based on the Walther and Pohl typology (also used in previous chapters), the framework sought to encompass the whole spectrum of school-to-work transitions in the EU (Walther and Pohl, 2005; Walther, 2006):

- universalistic (Sweden);
- employment-centred, which can be primarily based on dual training (Germany) or school-based (France);
- liberal (the UK);
- subprotective (Italy);
- post-socialist mixed liberal and employment-centred (Romania).

Secondly, the four types of youth-related activation measures were also taken into account. The study selected countries with various degrees of activation frameworks ranging from an environment that is conducive to activation measures to countries that in recent years have started to pay more attention to activation policies.

Another important factor in country selection was the length, type and quality of school-to-work transitions. For example, Germany is characterised by fast and stable transitions as opposed to the UK where the transitions are fast but unstable, and Italy and Romania which have lengthy and uncertain transitions. In comparison, Estonia and Sweden show medium or moderate labour market transition rates. An attempt was also made to ensure as comprehensive a geographical coverage as possible, at the same time trying to focus on countries such as Romania and, to some extent, Estonia, for which a more limited amount of information is available.

A key criterion for selection of the various policies and measures was an existing robust evaluation of them which meant that only those that had been in place for some time and had adequate outcome results were selected. For that reason, some promising recent developments were not included. It is important to emphasise here that due to the serious nature of youth unemployment in Europe, in recent years policymakers both at EU and national level have made youth policy a top priority. This resulted in a series of actions and structural reforms that have become visible in recent years but still have to be evaluated.

This chapter draws on the framework of 21 case studies which fall within Eurofound's typology of youth-related policies, measures and interventions (Eurofound, 2012).

The case studies aim to provide an illustration of the type of measures/policies currently being implemented in several Member States to help smooth the transition from education to employment. Some of them focus on disadvantaged groups (for example, young migrants in Sweden or Estonia) while others focus on specific groups (for example, measures selected in Italy focus on university graduates and highlight the importance of counselling, guidance and matching of students to jobs). The chapter also includes examples of internships and traineeships (measures in France and the UK) as well as those targeted at early school-leavers. It is important to stress that the case studies are not representative and do not provide a comprehensive picture or map the scale of the transition from education to work in countries covered by the study.

The analysis of the case studies allows for the identification of strengths and drawbacks of the policies. Finally, the chapter provides information on the type, role and involvement of the different stakeholders in the design, planning, implementation/delivery, monitoring and evaluation of the 21 good practice examples. Particular emphasis is placed on the role and involvement of social partners, since this has consistently proved to be critical for the success of youth-related schemes.

## **Overview of recent policy developments**

In response to rising youth unemployment, most countries have implemented, expanded or modified policy measures specifically targeting young people.

Except for Estonia, all the countries analysed have several measures and/or programmes specifically targeted at young people. Interventions cover a wide range of purposes, target groups and means, which includes:

- measures directed at enhancing the school-to-work transition through apprenticeship and traineeship schemes, or though subsidised work experience;
- measures directed to reduce illiteracy and early school-leaving;
- fiscal measures to reduce the cost of youth labour;
- changes in labour market legislation to ease the integration of young people into the labour market.

Specific policies are anticipated for disadvantaged young people facing greater difficulties in integrating into the labour market. Finally, a number of youth-directed programmes are implemented as part of national or local programmes using ESF co-financing.

Work experience, apprenticeships and vocational training are seen as particularly effective ways to improve labour market entry in all seven countries reviewed, not least because of their close links to the world of work and employer requirements, plus their proven effectiveness in facilitating the fast and smooth labour market transitions of young people.

In the UK, the government has introduced interventions designed to make apprenticeships 'the country's gold standard for vocational training', with the aim of one in five of all 16–17 year-olds being in an apprenticeship by 2020. Furthermore, young people can undertake different types of work experience, with internships or traineeships becoming an increasingly high profile option after university or college. For graduates, a key policy measure is the Graduate Talent Pool, which provides new graduates with internship or traineeship opportunities in order to increase their employability. Crucially, a third of young participants in the Graduate Talent Pool secured employment after completing a traineeship in the open market.

In Germany, policy measures (under the German Social Code) have been mainly targeted at supporting young school-leavers in accessing vocational training. Pre-training schemes play an important role for young people with low qualifications, helping them access apprenticeships, and these have proved effective in facilitating the transition into apprenticeship opportunities and further labour market integration. Sweden has also recently reformed its VET system, placing a greater emphasis on apprenticeships; however, its impact has yet to be evaluated.

Similarly in Romania, the START internship/traineeship programme aims to improve the employability of graduates, and a further programme supports students in obtaining work experience during their summer vacations.

In Italy, the Ministry of Labour and Social Policy, the Ministry of Education, Universities and Research and the Ministry for Youth launched, in 2010, the Italy 2020 Action Plan for Youth Employment aimed at enhancing the employability of young people through the integration of education and work experience. The Action Plan identifies six priority areas for intervention:

- easing the transition from school to work through the enhancement of networking and the implementation of career services in secondary schools and universities;
- enhancing technical and vocational training;

- promoting apprenticeship contracts;
- introducing aspects related to the labour market (such as workplace safety and pension rights) in schools and universities;
- supporting a better matching of university courses with the labour market and the lifelong learning principle;
- supporting the alignment of PhD programmes with the labour market.

More recently, in 2011, the comprehensive Fornero labour law reform in Italy identified apprenticeships as the prevalent form of entry into the labour market and regulated the use of traineeships to prevent employer abuse of such schemes.<sup>14</sup>

The reintegration of early school-leavers and young people at risk of exclusion is another policy field that has been strengthened in the countries under consideration.

In recent years, Estonia has started to develop targeted work experience programmes for disadvantaged young people, including those who have dropped out of apprenticeships and higher education. The TULE and KUTSE programmes aim to help these young people complete their qualifications. In addition, the ESF has been supporting projects involving work experience opportunities for young people.

In France, the Emergency Plan for Youth Employment introduced schemes combining work experience with formal training aimed at disadvantaged young people, especially early school-leavers, those from a migrant/ethnic minority background, and those who live in disadvantaged neighbourhoods (*banlieues*). For example, training placements are offered to unskilled young people to help them gain a qualification, and in the public and private sectors subsidised employment contracts have been introduced, some of which are linked to the creation of 'gateways to employment' (*emplois passerelles* – these focus on the acquisition of highly valued transferable skills to increase employability). In addition, the Emergency Plan created places for young people in Second Chance Schools, aimed at early school-leavers, or other disadvantaged young people, while the 'Acting for Youth Strategy' reinforced the plan's measures for disadvantaged young people and extended benefits, including the Active Solidarity Income (*Revenu de solidarité active*, RSA) for young people. In 2008, France launched the 'Hope for the Suburbs Plan' (*Plan Espoir Banlieues*) which combines measures on education and training, employment, housing, transport and childcare, and is specifically aimed at 200,000 vulnerable young people.

Similarly, in Germany, a specific mentoring programme (VerA) supports young people at risk of dropping out of an apprenticeship. In addition, the Apprenticeship Pact (*Ausbildungspakt*) offers all interested young people an apprenticeship or pre-training place and this has now been extended to focus on the integration of young people with migrant backgrounds or disabilities, who face considerable difficulties in entering the labour market. This shares some similarities with the concept of a Youth Guarantee pioneered by Sweden in the 1980s.

Sweden now offers a job guarantee providing personalised support for finding employment and a guarantee of a job offer, study opportunity or other activation measure such as start-up funding to unemployed young people. Similarly, in the UK, the 'September Guarantee' places a statutory duty on local authorities to secure suitable education or training places for 16–17 year-olds. Consequently,

<sup>&</sup>lt;sup>14</sup> Law 92 of 28 June 2012 Disposizioni in materia di riforma del mercato del lavoro in una prospettiva di crescita.

the proportion of young people in the UK achieving an offer of a place in education or training has risen. Furthermore, the Bursary Fund for 16–19 year-olds offers financial incentives to young people in the UK to remain in education or training.

All case study countries have implemented financial incentives for employers to help young people's labour market transitions. In Germany, the Bonus for Apprenticeship Places (Ausbildungsbonus) provides financial incentives to employers if they take on an apprentice who is socially disadvantaged, has a learning disability, has low or no qualifications, has been made redundant, or has intermediate qualifications and has been searching for apprenticeship training for more than one year. Similarly, in the UK, under the Youth Contract, the Apprenticeship Grant for Employers offers wage incentives to encourage employers to take on new apprentices, and in Sweden, the 'general fixed-term employment' contract provides similar incentives to employers. In Italy, the Consolidated Act on Apprenticeship provides incentives for employers to take on apprentices via reductions in their fiscal and social contributions, while financial support is also offered for postgraduate specialisation courses through a study fund. Likewise, in Romania, fiscal measures offer labour and non-labour cost deductions to employers who hire young workers. In France, the Emergency Plan for Youth Employment offers a subsidy through its contrats de professionnalisation which operate on a similar basis to apprenticeships, and offers private sector companies a subsidy to employ people aged up to 26 for a specified period. In a similar thread, the plan also offers a €3,000 bonus to employers who convert an internship or traineeship (stage) into a permanent employment contract (contrat à durée indéterminée. CDI).

# Analysis of policy measures facilitating labour market transition

According to Eurofound's typology developed in the study *NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe* (Eurofound, 2012a), measures which seek to help young people get a job and NEET-related policies can aim at:

- facilitating the school-to-work transition;
- developing skills relevant to the labour market;
- supporting a first work experience;
- improving access to the labour market or first job (Figure 13).

A description of the strengths and weaknesses of all the measures can be found in Table 11. Many of the good practice examples discussed in the case studies span more than one of these aims, particularly as the policy approaches to reduce the number of NEETs have taken different routes.

# Figure 13: Young people's transition into employment

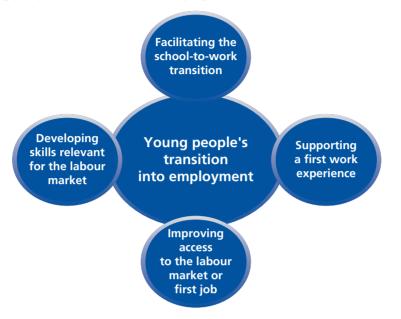


Table 10 shows the overlap between the key objectives of the different programmes. This section presents an overview of the policy measures within Eurofound's framework.

Country	Type of measure	Facilitating the school-to-work transition	Developing skills relevant for the labour market	Supporting a first work experience	Improving access to the labour market or first job
Estonia	Reducing the risk of unemployment among young people who speak languages other than Estonian	$\checkmark$	$\checkmark$		$\checkmark$
	Apprentice-type work practice scheme			$\checkmark$	
	Action Plan for Growth and Jobs 2008–2011	$\checkmark$	$\checkmark$		$\checkmark$
	Convention de stage	$\checkmark$		$\checkmark$	
France	Contrat de professionnalisation	$\checkmark$			$\checkmark$
	Contrat unique d'insertion – contrat initiative emploi (CUI-CIE)				$\checkmark$
	Ausbildungspakt				
Germany	Ausbildungsbonus			$\checkmark$	
	'VerA'	$\checkmark$	$\checkmark$		
	FiXO Programme	$\checkmark$	$\checkmark$	$\checkmark$	√
Italy	AlmaLaurea	$\checkmark$			√
	Giovanisì	$\checkmark$		$\checkmark$	$\checkmark$
	Programme for the employment of secondary school and university students	$\checkmark$			$\checkmark$
Romania	Programme for the employment of people at risk of social exclusion				$\checkmark$
	Promotion of social inclusion within the Romanian ESF Operational Programme 2007–2013				$\checkmark$
Sweden	Work internship programmes		√	$\checkmark$	$\checkmark$
	Trial introduction programme for newly arrived refugees (TIP)				
	Job search and coaching services		$\checkmark$		
UK	'Working It Out' programme		$\checkmark$		
	Youth Contract	$\checkmark$	√		√
	Work experience		$\checkmark$	$\checkmark$	

#### Programmes aimed at facilitating school-to-work transitions

All programmes whose main aim is to facilitate the school-to-work transition seek to:

- bridge skill gaps between those required by employers and those held by young people upon leaving education;
- strengthen the links to the labour market and enable young people to acquire accredited qualifications;
- provide young people with the opportunity to acquire work experience of good quality;
- reduce early drop-out levels from education.

Programmes aimed at facilitating the school-to-work transition include on-the-job training, preferably in the private sector; opportunities to obtain accredited vocational qualifications; and forms of jobcoaching or job-search services which have proved effective in helping a young person to prepare for and secure employment upon leaving education or, if required, providing support for ongoing training.

The implementation and delivery of these programmes most commonly involves close liaison between the sending organisation (educational institution or public employment services) and the host organisation (company) which offers the placements. Taking on the young person typically takes the form of a formal agreement between the host and sending organisation as well as, in many cases, the young person. Incentives to employers to do this are also common.

The majority of programmes aimed at facilitating school-to-work transitions are state-funded and, in a number of Member States, include subsidies for employers. Alternatively, employers can be exempt from social security contributions.

# Developing skills relevant for the labour market

Programmes primarily aimed at developing skills relevant for the labour market include personal, social and professional development activities. Some aim to close a real or perceived gap in basic skills (literacy, numeracy, language skills) and/or 'soft' skills (such as teamworking or communication); some are explicitly linked to developing the skills required to effectively obtain employment (such as searching for jobs, going for an interview, and CV preparation); and some focus on creating more effective links between education and industry. However, for groups with multiple disadvantages, their participation in job search/coaching services should be run in parallel with other more intensive and personalised interventions.

Indeed, most of the examples of good practice in the implementation and delivery of such programmes did involve a fairly personalised and individualised approach towards young people. Such an approach has consistently proved effective in addressing the different barriers to some young people's labour market entry. Crucially, the good practice examples also highlighted the importance of follow-up and 'aftercare' in programme delivery.

# Supporting a first work experience

A significant barrier for young people is the lack of work experience. It is widely acknowledged that schemes that combine work experience and study can play a critical role in helping young people make a smoother transition from school to work. Schemes that promote workplace learning experiences have been introduced or expanded in a number of countries including Estonia, Sweden and the UK. Some of these schemes were also extended to cover highly skilled young people,

including students and graduates who were hit hard by the crisis. Because of the proven benefits of schemes that allow young people to acquire their first work experience, these have become more prominent in the EU employment and youth policies in recent years and the European Commission has been actively seeking to promote work-based learning through work placements as an effective tool for integrating young people gradually into the labour market.

Programmes that support a person's first work experience typically provide young people with the opportunity to receive vocational training, or gain work experience in a genuine work setting. Frequently, the previous work experience of the participant is taken into account prior to the placement and features such as close supervision or mentoring and the monitoring of placements are key to helping them achieve their aims. The experience has to be of adequate quality and relevance to a young person's development needs, and it has to be ensured that employers do not use such placements as a way of exploiting young people and/or replacing regular staff. To this end, the placements, support and training offered to participants are tailored to their particular requirements.

As has been mentioned, the challenge to such programmes is the need to minimise the risk of displacing regular employees. Crucially, many of these schemes have stopped being implemented as separate measures as they have become integrated within larger policy programmes.

# Improving access to the labour market or first job

In most cases, programmes to improve access to the labour market are targeted at disadvantaged young people and NEETs and/or specifically vulnerable groups such as people with physical or learning disabilities, young people from an ethnic minority and/or migrant background, early school-leavers and young people with no or low qualifications, and lone parents. Because of this diversity in the target groups, the programmes aimed at improving access to the labour market vary significantly and there are often a number of interventions within one support programme. These types of activities include work experience placements, giving hiring subsidies to employers, individualised support, job search/coaching, training courses, entrepreneurial activities and the provision of stable employment contracts. The approach to the implementation of programmes aimed at improving access to the labour market also varies widely.

# Strengths, drawbacks and challenges of policy measures

This section includes a detailed discussion about the strengths, drawbacks and challenges of the good practice examples under study, especially in relation to facilitating the labour market transitions of young people. Where possible, it also indicates innovative aspects of the good practice examples together with how challenges or obstacles that have arisen as a result of the design and/or implementation of the policy measures have been effectively overcome. It is worth pointing out at this stage that, although the current adverse economic climate in most of the countries is not a structural element of the programmes under review, it does in many cases adversely affect their effectiveness by reinforcing some of their weaknesses and/or negating some of their strengths.

#### Strengths

#### Intensive and personalised advice, guidance and support

A number of good practice examples, especially those targeted at disadvantaged young people, involve the provision of intensive and personalised advice, guidance and support to young participants both during the intervention and as a follow-up activity. For example, the Swedish job search assistance, coaching and counselling services offer participants individualised job coaching and support which is proven to motivate and inspire job-seekers, while at the same time providing them with the necessary advice, guidance and practical information. In Estonia, the personalised approach towards young people who do not speak Estonian implemented by the country's Unemployment Insurance Fund (*Töötukassa*), combined with the training card/voucher system, is also seen as effective in addressing that group's specific needs. This individually targeted approach and funding via a personal training card (applied by the Unemployment Insurance Fund) has proved to be very useful. It allows provision of relevant training programmes quicker and in a more flexible manner compared to group-training procurement. It allows for better access to longer and more thorough base-level study programmes, including training in Estonian (with the focus on job-specific language skills). It can also be used for retraining. Most often retraining is necessary when a young person who has just graduated with a diploma finds that their skills are not needed in the labour market at that particular point in time. Often the training programme designed for a young person who does not speak Estonian includes a component of a specifically focused Estonian language course.

The UK's Working It Out scheme, run by the Tomorrow's People organisation, targets disadvantaged young people with complex needs and also offers personalised help and support, with each young person completing a personal action plan. As a result, the core programme – which involves group activities, one-to-one interventions and community challenges – can be tailored to reflect the group's skills and requirements. Crucially, those young people who do not achieve a positive outcome (job, education or training) by the end of the 16-week programme participation are moved into an aftercare process, with the programme maintaining contact with them for up to one year. This contact helps Tomorrow's People record the sustainability of outcomes and reduces the likelihood of the young person being subjected to a 'merry-go-round' of different interventions.

#### Use of personal advisers and mentors

Personal advisers play a crucial role in various programmes. They have to be properly trained and supported by their own organisation (such as the public employment services) and have a reasonable caseload in order to engage meaningfully with their clients. For example, in Sweden, the increased number and use of personal advisers have led to greater programme quality and activity in both the trial introduction programme for newly arrived refugees (TIP) and job search assistance, coaching and counselling services, as well as the provision of work internships. Likewise, the German federal government has created the new initiative 'Education Chains' (*Bildungsketten*) which includes career information, advice and testing to determine possible careers for young people, and opportunities for short-term work experience to try out various professions.

Studies of previous employment programmes in the UK, such as the New Deal for Young People, have consistently found that the help of a personal adviser in searching for jobs greatly improves one's employability. Therefore, the advisers play a critical role in schemes such as the Youth Contract and Jobcentre Plus. Specifically, these advisers offer more flexible and intensive support to young job-seekers through weekly, instead of the more typical fortnightly, work-focused interviews (job search reviews) (House of Commons, 2012; HM Government, 2011).

# 'Double supervision' of young person

The provision of individualised advice, guidance and support is important, not only at the job search stage, but also at the workplace itself, either as part of an apprenticeship/traineeship, work experience programme or youth-related employment programme. Indeed, 'double supervision', that is the provision of adequate support, guidance and mentoring to young people both at the workplace and

at the sending organisation (such as an educational institution or the public employment service), is consistently shown to be critical to the success of a particular scheme. For example, in France those undertaking a company-based traineeship, typically regulated by a written agreement called a *convention de stage*, and those on a *contrat de professionnalisation* are assigned a supervisor at the sending organisation (*tuteur de stage*) and at the workplace (*maître de stage* or *tuteur en entreprise*).

The Italian FiXO programme also requires that the young trainee is supported and mentored both at the company and at the sending organisation. The same applies for the Estonian Work Practice (*Tööpraktika*) scheme where the work-based support and supervision is supplemented by close supervision from the public employment service.

#### Careful matching of young participants to companies

The extensive use of personal advisers is typically associated with the careful matching of young participants to companies, for training or work experience and for employment purposes. This increases the likelihood of the young person being kept on in the company on completion of the scheme. The success of the Estonian Work Practice scheme has been attributed to such careful matching. Likewise, the German Training Pact (*Ausbildungspakt*) acts as the interface between vocational training applicants and employers by providing, on the one hand, vocational information and guidance to young people, and matching suitable applicants to available vocational training places on the other.

Another type of matching between labour supply and demand is provided through the Italian AlmaLaurea, a public consortium of Italian universities and social partners, which offers an innovative online database of graduates and their profiles (1,700,000 or 80% of Italian graduates' CVs are listed). At the same time, it also features job vacancies and mediates between young job-seekers and companies. The latter use it for advertising job openings, carrying out online recruitment and undertaking a pre-screening of suitable candidates.

# **Coordination of actors**

A number of good practice examples, especially those aimed at vulnerable young people, involve a holistic approach to helping them make the transition from school to work. This typically involves the coordination and combination of interventions in line with the specific and/or complex needs and profile of each participant. For example, the difficulty in the integration of newly arrived immigrants in Sweden was attributed to, among other things, the lack of proper coordination of the many actors involved (Hagstrom, 2009; Arbetsformedlingen, 2012). To this end, as a result of a 2010 reform the responsibility for the coordination of the TIP programme for newly arrived refugees was centralised in the public employment service, a single agency with a presence at both national and local levels. At the same time, transferring this competence to the Swedish public employment service highlights the importance of an early work focus from the outset and ensures the effective integration of immigrants into the labour market.

Such centralisation of the responsibility for coordinating the programme in public employment services also facilitates the collection of administrative and monitoring data about the profile of participants, their activities and progression outcomes. For example, for the first time, the new system described above is making it possible to have a national perspective on the integration process of newly arrived refugees or immigrants and their families. It is expected that the vast volume of administrative and monitoring data generated, coupled with a research-minded focus in the way these will be processed, will allow solid monitoring and evaluation.

A key success factor of the German VerA initiative is the fact that it is overseen and coordinated by the Senior Expert Service (SES), which already has the infrastructure for its reasonably quick and effective implementation and monitoring. It offers additional ongoing recruitment and training which expands the pool of highly experienced senior experts who help young people at risk of dropping out of vocational training.

In Italy, Tuscany's *Giovanisi* project opted for the creation of specific bodies for the coordination and management of specific youth policies (*Ufficio 'Giovanisi'*, *Cabina di Regia*, *Tavolo Giovani*, *Tavolo delle Istanze giovanili*, *Infopoint 'Giovanisi'*). Although this can be expensive in terms of effort and time on the part of the various bodies involved, and may be subject to bureaucratic delays, it is felt that this governance model guarantees the effectiveness of the measures provided, and supports the adoption of new ways of meeting the evolving needs of young people in Tuscany.

# Involvement of all relevant stakeholders

Apart from having a single entity overseeing and coordinating a particular programme or intervention, the involvement, coordination and partnership of all relevant actors is equally important throughout the entire programme, from the planning and design stage, to delivery and implementation, followed by monitoring and evaluation. For example, the Estonian Action Plan for Growth and Jobs 2008–2011 promoted intensive cooperation and coordination between different stakeholders in education and employment, while it also actively sought the involvement of all interested parties in its planning and design. Likewise, one of the strengths of the German Training Pact is the broadening base of all relevant stakeholders in line with demographic and social changes. Apart from the federal government and employer organisations, in 2010 a number of new partners came on board, namely the Conference of the Ministers of Education and Cultural Affairs, and the Federal Commissioner for Migration, Refugees and Integration. The support of these two institutions was crucial in light of the changing demographic context, the fact that many low educational achievers were young people with a migration background, as well as the need for better coordination and integration of the schemes.

# Monitoring and quality assurance

A critical success factor in most good practice examples has been the need for robust monitoring and quality assurance procedures in order to ensure that the measure is properly implemented in line with its initial aims and objectives. For example, in the German Training Pact, the Association of German Chambers of Commerce and Industry (DIHK), which has an extensive network of local chambers, plays a crucial role in the supervision and monitoring of apprenticeships and/or vocational training in their respective sectors. This, in most cases, involves:

- guidelines for the content of theoretical and practical training;
- the registration of apprentices and qualified employers;
- the administration of capability assessments throughout the vocational training (mid-way and final assessment);
- the issuing of qualification certificates;
- support for both employers and apprentices in their engagement with vocational training.

In France, the written agreement (*convention de stage*) and the way it is implemented and overseen is considered to offer a useful blueprint for quality assurance of traineeships/internships. Indeed, France stands out as a country that, since 2006, has adopted an explicit 'regulated' approach to

traineeships/internships through a raft of laws. Accordingly, all traineeships/internships in France must be accompanied by a compulsory written agreement signed by the trainee, the education establishment and the employer. It should include the length, focus and learning content of the traineeship, and the trainee's terms and conditions, including compensation and social security coverage. Crucially, because of widespread reports of potential trainee exploitation, and a growth in the number of university graduates who are caught in successive low-paid, short-term traineeships, the French government introduced, in July 2011, a new law (*Loi Cherpion*) aimed at strengthening existing regulations and safeguarding trainees from further abuse. The Estonian public employment service is also overseeing and ensuring the quality of the Work Practice scheme by requiring young trainees to keep a work practice diary where they should record all the activities they do. This diary is regularly reviewed by the public employment service.

#### Strong social partner involvement

Where applicable, a programme's key strength has been the strong social partner involvement in its design, implementation, management and quality assurance (as well as in funding, as in France, Germany and Sweden). For example, the Swedish corporatist tradition of close cooperation between employers, trade unions and the state is seen as contributing to the effectiveness of the various traineeship/internship programmes reviewed as part of this study, not least by ensuring that the quality of such placements is maintained and the potential for trainee/intern abuse and exploitation is minimised.

Similarly, one of the best aspects of the French *contrat de professionnalisation* is that it originated from the 2003 agreement between the social partners which sought to reflect sectoral skills needs in the way vocational training was conceptualised and delivered in both off-the-job (training centre) and on-the-job (the workplace) training. Moreover, the social partners have continued to lend strong and continuing support to this type of contract, for example by providing funds through the joint registered collection agencies (*organismes paritaires collecteurs agréés*, OPCAs).

French social partners have also been actively involved in both the public debates on traineeships/ internships and the quest to improve their quality. For example, one of the four national interprofessional agreements between the social partners (*ANI du 7 juin 2011 sur 'l'accès des jeunes aux formations en alternance et aux stages en entreprise*' which was further extended on 22 October 2012<sup>15</sup>) explicitly seeks to create a better framework for the way traineeships are implemented in companies. At the same time, the works councils (*comités d'entreprise*) are formally tasked with overseeing companybased traineeships/internships, ensuring that the *convention de stage* is respected, and safeguarding the young person's employment and social protection rights.

Germany is characterised by strong and active social partner involvement, but that was not so evident in the three programmes reviewed as part of this study (despite the fact that social partners are closely involved in the well-established dual apprenticeship system). For example, despite Germany's corporatist form of governance, its Training Pact does not include the trade unions which voiced concerns over its structure (mission and activities). However, while there is strong criticism by the social partners at a high level in relation to duplicating existing institutional arrangements, at the local (regional/*Länder*) level, the Training Pact agreements including the social partners were extremely successful. Moreover, the Confederation of German Trade Unions, which is not a signatory body, indicated that it might reconsider taking part in the negotiations if the pact was extended beyond 2014.

<sup>15</sup> http://www.legifrance.gouv.fr/

Regarding Italy's AlmaLaurea services and activities, the close involvement of the social partners, who are key stakeholders, is also seen as key to its effectiveness.

# Flexibility of programmes

A distinctive strength of some of the good practice examples seen in this study is the flexibility of programmes, combined with their ability to adapt to changing conditions. For example, one of the strengths of the FiXO programme in Italy has been its ability to adapt its processes in order to achieve its objectives better, and to be in line with any further developments in the policy framework such as implementing the high-level apprenticeships recently introduced by Italian legislation. This flexibility has also allowed the technical assistance delivered during the programme to evolve, from support in creating placement offices to the strengthening of the quality of the services delivered, in particular through the definition of quality standards and personalised services.

Similarly, in Estonia, the personal training card/voucher given to young people who do not speak Estonian has proved to be very useful because, compared with group-training procurement, it allows for the faster and more flexible provision of relevant training programmes.

The flexibility of the programme and its ability to adapt service delivery to the individual and the collective group's needs is also one of the main strengths of the UK's Working It Out programme which targets disadvantaged young people. The Youth Contract, the UK's flagship youth employment programme, launched in April 2012, has already undergone a number of alterations in response to changing circumstances. For example, in January 2013, the government widened the eligibility criteria for the participation of young people because there were concerns that they could potentially be excluding some young people at risk of exclusion (House of Commons, 2012). This flexibility is seen as one of the key strengths of the programme.

# Combining theoretical knowledge with training and work experience

A key strength shared by a number of the good practice examples is the combination of theoretical knowledge with practical training and work experience. For example, all three German examples, which promote apprenticeships, seek to achieve a balance between occupational, company-specific skills and more general and transferable knowledge and competences (as provided by the well-established dual apprenticeship system). The main rationale behind the French contrat de professionnalisation is that its combination of company-based on-the-job training and work experience with structured training at an accredited training provider leading to a recognised qualification is considered to be one of the most effective methods for facilitating the labour market transitions of young people. Likewise, both the FiXO programme and AlmaLaurea in Italy seek to enhance graduate employability through company-based traineeships linked to study curricula (curricular traineeships), since these have proved to be very effective in facilitating school-to-work transitions. For example, a quantitative analysis of AlmaLaurea showed that one year after the completion of studies, the likelihood of employment for graduates who had undertaken a curricular traineeship was 12% higher than for those who did not have such a learning experience. The same applies to the Romanian programme for the employment of secondary school and university students which promotes the use of traineeships during the holidays in order to ensure that young people acquire relevant work-related skills.

Apart from placements that are integrated into study curricula of educational programmes, companybased traineeships and work experience placements are increasingly featuring as part of youth employment programmes and/or active labour market policies targeted at unemployed young people with the explicit aim of facilitating their labour market entry. For example, the UK's Work Experience scheme seeks to help young unemployed people enhance their employability by gaining practical work experience, the lack of which is a key barrier to their labour market entry. Indeed, recent analysis by the Department for Work and Pensions suggested that participants in the scheme are 16% more likely to come off benefits earlier than non-participants, and 28% more likely to be in employment. Likewise, the Estonian Work Practice scheme seeks to help unemployed people acquire practical work experience in order to acquire work-related knowledge and skills and improve their employability. The same applies to the traineeships provided by the Italian *Giovanisi* project, where usually half of such placements are converted into employment contracts.

It seems that traineeships/internships and work experience placements are a particularly effective tool in facilitating the labour market integration of vulnerable and disadvantaged young people. Indeed, it is because of this that the UK's Working It Out programme nearly always includes a period of work experience for young people participating in its 16-week programme, which offers practical support rather than simply classroom-based learning.

# **Drawbacks and challenges**

The good practice examples studied inevitably have some drawbacks and face a number of challenges, not least the current deteriorating economic climate in most of the seven countries reviewed (with the notable exceptions of Germany and Sweden) (see Table 11).

#### Displacement, deadweight and substitution effects

A major drawback, especially common to programmes subsidising traineeships/internships and jobs for young people, relates to the risks of displacement and substitution effects. These are manifested by trainees undertaking tasks typically performed by regular staff and/or being taken on by employers who would have hired them anyway, even in the absence of a subsidy. For example, there are widespread concerns that the Swedish work internships and the French *contrat de professionnalisation*, as well as the UK's Work Experience and Estonia's Work Practice schemes, suffer to some extent from such effects. That said, a number of respondents pointed to an inherent tension or even conflict between the need for a programme to minimise displacement effects and the aim of providing meaningful work experience during a work placement.

Likewise, the evaluation of the *contrat unique d'insertion – contrat initative emploi (CUI-CIE)* has shown that such subsidised employment contracts have had an impact on the labour market equilibrium in France. For example, there are instances where these are characterised by substitution effects, while at the same time adversely affecting already marginalised groups of workers. Similar criticisms were made in relation to the Bonus for Apprenticeship Places in Germany because, at its design stage, there was insufficient consideration of the mid-term supply and demand forecasts which indicated an approaching equilibrium. In addition, in early survey results regarding the Bonus for Apprenticeship Places, many German employers also indicated that they had been planning on hiring an additional apprentice regardless of the employer grant or bonus (ZEW, 2010). Indeed, the scheme was associated with some displacement effects, with 13% of businesses stating that they hired a stock applicant (a young person unable to secure an apprenticeship within one year of leaving school or longer; or someone with learning difficulties; or one who is generally socially disadvantaged) instead of a recent school-leaver because of the offered bonus.

In the UK, as in most countries, although programmes providing employment subsidies such as wage incentives can create employment if targeted at specific needs and groups (notably disadvantaged young people), they tend to have high deadweight and substitution effects if not targeted at a specific

group. As a result, a key challenge is to minimise the scope for such effects. Indeed, in designing and implementing the Youth Contract the UK government is actively seeking to provide wage incentives in the areas of greatest need in terms of youth unemployment and deprivation. As a result, it is considering the option of imposing regional caps (and differential regional incentive payments) on the basis of youth unemployment levels.

Likewise, the French government has sought to minimise the displacement, substitution and deadweight effects of the CUI-CIE, especially since, faced with deteriorating economic circumstances, companies see the benefits of this instrument for meeting their short-term employment needs. To this end, it has strengthened the employer eligibility criteria, whereby an employer must not, for example, have dismissed an employee within the previous six months due to the company's precarious financial position.

# Multiplicity, duplication and overlapping of targeted programmes

The persistently high levels of youth unemployment in several of the countries studied (with the notable exceptions of Germany and Sweden), combined with the growing numbers of vulnerable young people, has led in many cases to a plethora of overlapping of youth-related measures and interventions. This has been the case in Estonia, France, Italy, Sweden, the UK and even Germany. For example, the 'jungle of measures' which exists in Germany has been recognised as a potential problem because many of the measures are neither coordinated nor integrated. This, in turn, results in many cases of duplication. Therefore, the aims of the Training Pact included the rationalisation of measures together with the restructuring and modernisation of the transition field and the improvement of its efficiency (Hartwich et al, 2013).

Similarly, in Estonia, it is widely recognised that there is considerable duplication and overlapping of measures, some of which involve the provision of similar services, such as the Work Practice scheme, and measures implemented within the framework of the ESF-supported programme 'Increasing the supply of qualified labour force 2007–2013'. It is therefore feared that, apart from the obvious efficiency implications, this creates confusion for both young people and involved stakeholders and thus can have an adverse effect on a programme's effectiveness.

This multiplicity and overlapping of programmes is a challenge also faced by the UK's Working It Out programme, and concern has also been expressed about the number of agencies involved in coordinating the Youth Contract.

#### Lack of, or limited, involvement of all relevant stakeholders

Despite the obvious need to ensure that all relevant stakeholders are involved in the design and implementation of a programme, this has not always been the case in all the examples reviewed. One of the drawbacks of the Romanian programme 'Students' employment' was the fact that representatives of schools and universities were not invited to take part in its design and implementation. This, in turn, meant that the programme has had no effect on school curricula and on bringing the education system closer to the needs of the labour market. Interestingly, in countries such as Italy and Romania, considerable support from the ESF has been channelled towards promoting traineeships (and workplace experience placements more generally) as part of the study curricula in both secondary and tertiary education by creating the necessary infrastructure, including Liaison/Placement Offices based at the educational institutions.

Likewise, the Romanian 'Programme for the employment of people at risk of social exclusion' does not involve in its implementation NGOs or other stakeholders, including the voluntary and community

sector which has considerable expertise in engaging and working with the target group. It is felt that such collaboration would help reach a greater number of young people at risk of social exclusion, including young people from the Roma community, young women from rural areas and those who have dropped out of vocational training.

In France, a criticism targeted sometimes at the *contrats de professionnalisation* is that they are not promoted particularly actively by the French public employment service and they face competition from alternative schemes, such as *contrats d'apprentissage* or *le droit individuel à la formation*. For example, the *contrats d'apprentissage* are both better publicised and cheaper for the hiring company (Cour des Comptes, 2012).

# Cumbersome administrative procedures

Notwithstanding the need for youth-related programmes, measures and interventions such as those reviewed in this study to be properly overseen and monitored, one particularly challenging problem is the bureaucracy. Employers complain that this often imposes a heavy, time-consuming and resource-intensive administrative burden. For example, in relation to the Bonus for Apprenticeship Places in Germany, the administrative burden was described as substantial due to having to check with external organisations to validate applications. The administrative process might have discouraged some employers, especially those running SMEs, as it was perceived as time-consuming and complicated by the Chambers of Commerce (who oversee the apprenticeship training process) and by local public employment services.

Similarly, among the weaknesses of the Italian FiXO programme are the complexities of the administrative and bureaucratic procedures for both companies and universities which, in some cases, may have hindered its effective implementation.

The heavy and cumbersome administrative burdens associated with the implementation and monitoring of publicly funded programmes, especially those involving ESF support, were also a drawback to the Romanian schemes promoting social inclusion (Operational Programme 2007–2013). Organisations in the voluntary and community sector did not have the resources and time to deal with the complicated administrative procedures required. Complex bureaucracy also commonly led to delays in payments for participating NGOs and many of the smaller ones folded because they did not get a steady and regular stream of income.

In Italy, the need for considerable time and resources to take part in youth-related programmes was an issue for some involved with the *Giovanisi* project, which has proved effective in mobilising all the relevant stakeholders, including the 'voice' of young people. Specifically, representatives of the third sector found that their youth projects *Tavolo Giovani* and *Tavolo delle istanze giovanili* often require a significant commitment by all participants in terms of time and work. The fact that the participants are numerous and heterogeneous means that is not always possible to reconcile the different positions expressed and reach an agreement.

Policymakers in all seven countries studied are well aware of the need for a simplified and 'light touch'. However, streamlined administrative procedures of youth-related programmes must also be balanced by the need for proper management, monitoring, quality assurance and accountability. To this end, policymakers have sought to design or reconfigure programmes to address concerns about cumbersome administrative procedures, especially in an effort to ensure greater employer engagement and take-up. For example, it is thought that the simplicity of the UK's Youth Contract may account for its increasing take-up by employers, including SMEs.

#### **Quality concerns**

The need to oversee, monitor and safeguard the quality of the measures and interventions supported by the programmes reviewed poses a significant challenge, especially against a background of tight public finances and difficult economic conditions. Indeed, close monitoring and robust quality assurance of programme participation, although required in most cases, do not always take place. For example, despite the formal requirement for Italian universities to oversee and ensure the quality of the FiXO traineeships, they often seem to limit themselves to managing the administrative aspects of these placements. As a result, they do not often implement rigorous placement monitoring and quality assurance procedures aimed at verifying the traineeships' learning content, quality and effectiveness and the extent to which such placements lead to actual employment. Even the provision of internships in Sweden has given rise to quality concerns in terms of poor learning content and/ or lack of proper supervision. The poor learning content of a placement and lack of close alignment between the initial aims of the traineeship and the activities actually carried out by the trainee at the workplace was highlighted as a risk in all programmes reviewed as part of this study.

Even in France, which is characterised by a high degree of traineeship-related regulations, and where the educational institution is formally assigned the role of organising and supervising internships/ traineeships, there are reports of a lack of proper monitoring by educational establishments. This has led to fictitious university registrations, with some educational institutions 'abusing' the system by providing training contracts for a fee without proper supervision and quality assurance (Eurofound, 2011a).

It is worth mentioning that there are a number of initiatives that aim either to introduce or improve existing quality assurance mechanisms. For example, specific measures on quality standards are currently being explored in relation to Italy's FiXO programme. Italia Lavoro has drafted a list of 132 quality criteria/indicators covering all the services offered by the FiXO programme. Since January 2013, this list has been discussed with universities, and each university involved in the FiXO programme must choose five criteria/indicators in order to test all these standards. Likewise, in Sweden an initiative is under development for a rating system that allows interns/trainees publicly to rate their placement experience, so that future applicants can be informed about the quality of the traineeship offered by different private employers.

The UK's Work Experience scheme has also been bedevilled by criticisms about the poor learning content and quality of placements, as well as by widespread adverse publicity and criticisms by trade unions and youth organisations. Apart from a Quality Charter promoted jointly by the Department for Work and Pensions (DWP) and the Chartered Institute of Personnel and Development (CIPD), the DWP will approach any employers who are criticised in an effort to assess the nature of the problem. In certain cases, these employers would not be used again by Jobcentre Plus (the public employment service), which as part of the DWP administers the Work Experience scheme. Even so, issues around the quality of placements persist and are combined with reports of trainee abuse and exploitation, which has recently led the UK's Social Security Advisory Committee (SSAC) to stress the need for more employer engagement officers at Jobcentre Plus tasked with finding higher-quality placements.

# Potential for exploitation of participants

Related to concerns about quality is the scope in some programmes for potential abuse and exploitation of young participants. Even within the highly regulated French system (*convention de stage*), youth organisations, trade unions and the media have consistently criticised the use and

'abuse' of traineeships/internships. There are growing concerns about the role of the traineeship in facilitating sustainable labour market transitions of young people, as opposed to using trainees/ interns (*stagiaires*) as a source of cheap or free labour with no or limited rights. In response to these concerns and in order to combat widespread reports of *stagiaire* exploitation as well as the growing number of university graduates caught in successive low-paid, short-term traineeships, the French government introduced in July 2011 the *Loi Cherpion* which strengthened the legal framework of traineeships and reinforced the trainee's rights, terms and conditions.

In Tuscany, before the approval of the new regional law regulating traineeships such as those supported by the *Giovanisi* project, company-based placements could have been used to substitute labour within companies due to lack of appropriate controls. Indeed magazine *La Repubblica Degli Stagisti* in Italy has expressed serious concerns that traineeships have been used as a source of cheap or free labour by employers.<sup>16</sup> Other common complaints are that, in many cases, traineeships fail to provide the first step towards decent and stable work; instead, they can quite often trap young people in a vicious cycle of precarious employment and insecurity. These concerns are also shared by other youth-related associations and platforms such as Génération Précaire<sup>17</sup> in France and Interns Anonymous<sup>18</sup> in the UK. Since 2013, in Italy, new strict regulations and guidelines for quality traineeships have been introduced and implemented at national and regional levels.

Criticisms of possible abuses have also been targeted at the widespread programmes subsidising youth employment such as the French CUI-CIE. The French media has regularly reported employer abuses linked to this type of work contract, specifically that it can allow enterprises to employ a young person for, say, six months, and then after letting them go, simply hire another young person under the CUI-CIE rules. Indeed, this is why the eligibility criteria have also been strengthened, as discussed earlier.

# Insufficient personal support for young people

In a number of the programmes reviewed there was, unsurprisingly, variability in the type, frequency and quality of the personalised support provided to young people. For example, although a trainee is assigned both a company-based mentor and one based at an educational institution under the requirements of Italy's FiXO traineeship programme, in practice there is great variability in the extent to which this is actually met. Indeed, in practice, the effectiveness of these mentors is also variable in ensuring the quality and relevance of the traineeship programme to the trainee's professional development needs. This sort of fluctuating quality can also be seen in France, despite its highly regulated *convention de stage*, which includes specific provisions for regular communication, supervision and monitoring of the trainee by both mentors/tutors (company-based and the one based at the educational institution). Specifically, despite the critical role of the *tuteur de stage* in safeguarding the quality of the placement, there is a lack of proper enforcement mechanisms and/ or incentives, which results, in many cases, in no or weak supervision and poor quality monitoring. At present, it is not clear to what extent host organisations truly provide such personalised support and mentoring and allow trainees to develop the necessary competences, not least because of the deteriorating economic situation in France.

Furthermore, although the assignment of a tutor to a CUI-CIE beneficiary might be formally required from a French employer by the CUI-CIE agreement, this does not always happen. Moreover, problems

<sup>16</sup> http://www.repubblicadeglistagisti.it/

<sup>17</sup> http://www.generation-precaire.org/

<sup>&</sup>lt;sup>18</sup> http://internsanonymous.co.uk/

with the formal recognition of this role and the lack of properly qualified tutors, especially company tutors, are affecting the quality of advice, support and guidance that young people can receive at work. Yet the quality of such advice and support has consistently proved crucial for the success of the intervention, especially the CUI-CIE which is targeted at disadvantaged young people.

# Effectively reaching and engaging disadvantaged young people

Effectively reaching and engaging disadvantaged young people is another major challenge. In France, the *contrat de professionnalisation* has trouble reaching its intended target groups, which are those, including young people, furthest away from the labour market (General Inspectorate for Social Affairs, 2010; Joyandet, 2012; Cour des Comptes, 2012). Specifically, in 2008, only 6.2% of those aged below 26 and on a *contrat de professionnalisation* were residents of more disadvantaged urban areas (*zones urbaines sensibles*, ZUS). Instead, young people employed under this type of contract are better qualified than its initial target group and would have been likely to secure employment anyway.

One weakness of Tuscany's *Giovanisi* project relates to its new lowest age limit for accessing traineeships being fixed at 18 years. This, in turn, means that traineeships and work experience placements cannot now be used to address early school-leaving, despite the fact that such placements have proved effective in keeping young people from dropping out of school. Compared with school-based education, the combination of school-based training and practical work-based experience has generally been attractive to such young people, and in the past traineeships were often used by the public employment service as a way of allowing early school drop-outs to access informal education and develop soft skills.

Apart from the outreach difficulties in terms of identifying and engaging vulnerable young people, finding employers willing to take them on can also pose a major challenge. For example, one of the main difficulties of the implementation of the Romanian 'Programme for the employment of people at risk of social exclusion' has been the reluctance of companies to employ young people leaving state care or ex-offenders.

# Patchy monitoring and evaluation data

A common drawback and key challenge in a number of the programmes reviewed as part of this study has been the fact that the existing administrative, monitoring and evaluation data are patchy, uneven and, in a few cases, non-existent. France, Sweden and the UK have a strong monitoring and evaluation tradition, while Germany and Italy yield mixed results with a greater focus on monitoring, and Estonia and especially Romania are weaker at evaluation. Schemes linked to active labour market policies and/or youth employment programmes, and typically administered by the public employment services are usually subject to robust evaluation. However, measures associated with educational programmes, including vocational education and training (VET) are not always evaluated, especially in relation to employment outcomes.

For example, in Germany, there is strong criticism of the methods used in the statistical evaluation of the vocational training sector and particularly the definition and inclusion of unplaced applicants (Anbuhl, 2013), which has also been highlighted by Ulrich et al (2012). One of the main criticisms is that the statistics on the number of training places created and contracts entered into do not provide a realistic picture of the VET sector, and more realistic assessments as applied in the report by Ulrich et al (2012) show a much more serious picture, which still demands extensive action to tackle the problem of supply and demand of vocational training. To this end, the partners involved in the German Training Pact have identified scope for improvement in the statistical data collection in order

to clearly identify and measure the various statuses of young people within the vocational training system (including those in the transition field). This includes the creation of an integrated vocational training statistics report which also considers the demographic background (for example, migration).

In the case of the Romanian programme 'Students' employment', there is no information available on any continuation of employment after the end of the financial incentive offered to private sector companies by this scheme. The same criticism has been made of the Romanian promotion of social inclusion as part of the ESF Operational Programme 2007–2013, whose monitoring system is characterised by a lack of results and impact indicators. This, in turn, makes the evaluation and impact assessment of its effectiveness very difficult. In general, the weak evaluation was mentioned as a key challenge for Romania in general.

The same applies to Estonia where, for example, the ESF programme 'Increasing the supply of qualified labour force 2007–2013' has not been evaluated fully, with its interim evaluation failing to assess the programme's impact. No specific statistics are collected in relation to the employment situation of young people who do not speak Estonian, despite the fact that they face considerable barriers to entering the labour market.

	Case study	Strengths	Weaknesses
Estonia	Action Plan for Growth and Jobs 2008–2011	Consultation of stakeholders at design stage; quick adaptation in economic crisis; promoted cooperation of stakeholders	Skills supply of education system does not match demand of labour market
	Apprenticeship-type scheme	Communication strategy improved through engagement of youth organisations, centres and other channels (schools, parents)	Only for registered unemployed; potential for abuse and displacement; overlap with similar programmes
	Reducing the risk of unemployment among young people who speak languages other than Estonian	Training card system allows flexible response to individual needs	Skills demand and supply need to be matched
France	Contrat de professionalisation	Social partners engaged; participants receive employment contract; provides accredited qualification	Potential for displacement for lower qualified; companies focus on those most likely to succeed
	Contrat unique d'insertion – contrat initiative emploi (CUI-CIE)	Clearly defined conditions regarding duration, work hours, contractual agreement, integrated with other support measures	Displacement effects; potential substitution of short-term for long-term programmes
	<i>Convention de stage</i>	Highly regulated approach which acts as quality assurance; tripartite regulation; coverage extends beyond France for French individuals and includes foreign students in France	Potential abuse and displacement effects through employers; cuts in public budget may have an impact on supervision capacity
Germany	Ausbildungsbonus	Strong implementation process through business modelling	Research showed windfall gains; small businesses may lack capacity and miss out
	Ausbildungspakt	Strong social and political commitment; self- regulation of government and industry	Lack of trade union involvement; statistical data foundation currently in the process of being built
	VerA	Driven by individual and tutor; civic engagement and knowledge transfer across generations; embedded in wider network of support measures	Highly dependent on government funding which may raise the issue of long-term sustainability
Italy	AlmaLaurea	Platform also doubles as destination of leavers survey for students; platform has been transferred to other countries within and outside Europe	Members-only access
	FiXO programme	Flexibility; development of a national test for 'professional competencies'	250 quality indicators that need to be condensed into five, in parts highly bureaucratic
	Giovanisì	Participatory process where, through social media and regular meetings, stakeholders can engage in programme design; regular adaptation to correspond with changing needs	Participatory process in parts time-consuming; lower age limit at 18 so that traineeships cannot be used to facilitate school-to-work transition

# Table 11: Strengths and weaknesses of case studies

#### Mapping youth transitions in Europe

	Case study	Strengths	Weaknesses
Romania	Programme for the employment of secondary school and university students	Providing a means for students to gain work experience to facilitate transition into employment	Schools and universities not involved in design; underlying skills mismatch of education and labour market not addressed
	Programme for the employment of people at risk of social exclusion	Employers more open to employ a young person from high-risk and disadvantaged backgrounds	No involvement of NGOs that have direct contact with target groups in delivery of programme
	Promotion of social inclusion within the Romanian 2007– 2013 ESF Operational Programme	Most participants were young people; new jobs created; participants received qualifications	Highly bureaucratic process; social partners not involved
Sweden	Internships	Trade union involvement in quality assurance; provides access to qualified workforce at low cost for employers	Potential for inadequate planning of contents and mismatch of expectations
	Introduction programme for newly arrived refugees	Partially subcontracted on payment-by-results; early contact with refugees to facilitate labour market access and quick integration	Clear separation of support programme by public employment service from participation in formal education particularly for young refugees needs monitored
	Job coaching services	Coaches subcontracted from public and private sector based on payment-by-results model; customer has purchasing power	Weak contacts between some coaches and employers
ик	Work Experience scheme	Sanctions as 'motivation' not required	Competing local programmes; resistance of social organisations to provision of 'free labour' (bad press)
	Working It Out	Strong employer engagement and support; core provision but beyond that flexible, replicated in rural areas and with shorter durations; initial private funding secured (public funding later added)	The cost per successful outcome is relatively high compared with other schemes
	Youth Contract	Cross-departmental initiative; some simplified aspects (such as flat-rate payments)	Potential for windfall gains; highly ambitious targets, but doubts private sector can deliver expected number of placements; employers not fully aware of support available

# Key stakeholders involved in designing and carrying out policies

Given the multifaceted nature of youth labour market difficulties, youth policies are usually based on wide partnerships involving public and private stakeholders operating at national and local levels. The configuration of stakeholders and actors depends on the specific programme, policy, initiative and measure implemented. However, there are a number of key stakeholders who are commonly involved in facilitating the labour market transitions of young people. National public authorities, supported by technical agencies, finance, coordinate, monitor and evaluate the implemented programmes, while service delivery is usually delegated to the regional and local level and is provided by public, private and/or third-sector providers. Educational and training institutions are crucial stakeholders in the design and management of programmes addressing early school-leavers and the provision of work experience, internships or apprenticeship programmes for students or graduates. The social partners and their bipartite agencies often have a consultative role and regulate the provision of traineeships and apprenticeships through specific agreements and funding.

# **Role of public authorities**

Youth policies are usually defined at the national level by different policy departments such as labour and welfare or education, depending on the type of measures. The implementation of the policies and service delivery is, in most cases, carried out at regional and local level, while specialised national technical agencies often provide intermediary support services, by coordinating the funding and management of employment services, labour inspectorates and skill certification agencies. National agencies are also usually in charge of monitoring and evaluating the implemented programmes.

#### Role of regional and local institutions and public employment services

In all the countries considered, except Estonia, youth-related policies are implemented through networks of public bodies operating at regional or local level and a number of stakeholders are commonly involved in facilitating youth labour market transitions. Public employment services are particularly important in the provision of employment services and in networking with local stakeholders of the private and third sectors.

**France**: A network of youth-related centres (*Missions locales*) distributed across the French regions act in cooperation with job centres (*Pôle emploi*), the Drop-In Centres for Guidance and Employment (*Permanence d'accueil, d'information et d'orientation*, PAIO), regional authorities and other public and private operators to promote the integration of young people facing considerable challenges in entering the labour market, such as early school-leavers, those with low or no qualifications and those from migrant or minority backgrounds. This is mainly achieved through the provision of individual guidance and support. An interesting example of the role of the public employment services can be seen in the framework agreements they conclude with certain sectors (such as banking, real estate, commerce and distribution, metalworking and public works) for the *contrat de professionnalisation*. These agreements determine, among others things, the number of recruits on such contracts, a proportion of whom are job-seekers.

**Sweden**: The Swedish public employment services play a major role in the implementation of certain measures, such as the Youth Guarantee. They are responsible for providing personalised needs assessments and employment plans to every young individual registered with their services for at least three months. Each local office has employment officers in charge of contacting employers who might be willing to participate in the programme.

# Role of educational and training institutions

Educational and training institutions are key stakeholders in the provision of work-based learning, internships or apprenticeship programmes and of consulting and placement services for students or graduates.

**France**: The French programme *convention de stage* is an example of the very active role taken by universities in the promotion and implementation of traineeships (*stages*) linked to educational programmes. The idea for the programme originated from directors of legal departments at universities, in the face of growing concern about the quality and content of training. The process was actively supported by the French Conference of University Presidents (CPU), which with the network of universities' legal departments (JURISUP), and the Agence de Mutualisation des Universités et Etablissements d'Enseignement Supérieur et de Recherche (AMUE), have worked together with the French Ministry of Higher Education to reform the *convention de stage* to incorporate all the latest legislative/regulatory provisions.

**Italy**: The AlmaLaurea strengthens the role of universities by providing information services to support school-to-work transitions. AlmaLaurea is an inter-university consortium set up in 1994 involving 64 Italian universities. The consortium, created with the support of the Ministry of Education, University and Research, aims to reinforce the connections between universities and the labour market by providing a set of services targeted at students and graduates, companies and trade organisations.

# **Role of social partners**

The social partners are very active in facilitating the labour market transitions of young people in all the countries considered, with the exception of Romania.

In Estonia, employer organisations have been closely involved in the development of the vocational education strategy for 2009–2013. All social partners were involved in the design of the Action Plan for Growth and Jobs 2008–2011 mostly through relevant umbrella organisations, such as the Estonian Employers' Confederation (ETTK) and the Estonian Trade Union Confederation (EAKL), as well as the Estonian Chamber of Commerce and Industry. Furthermore, the EAKL has cooperated with the Estonian Youth Centre to promote and disseminate information on the different learning opportunities available to young people to ease their labour market transition, including apprenticeship schemes.

In France, the social partners are heavily involved in various programmes, policies and measures aimed at young people. For example, the *contrat de professionnalisation* was set up by social partners' for those with low-level skills (including young people), and a key role is played by the social partners' Joint Commission for Collective Training (*Organismes paritaires collecteurs agrées*, OPCA) which are sectoral and interprofessional funding organisations and accredited joint registered collection agencies set up and managed by the social partners. These organisations are tasked with collecting and administering the sectoral (and cross-sectoral) training funds paid by companies in order to finance continuing vocational training (Cedefop, 2008; Charpail, 2010; Dif, 2012; Pôle Emploi, 2012a and 2012b; Trampusch et al, 2010). Other sectoral and cross-sectoral actors also active in relation to the *contrats de professionnalisation* are the sectoral and interprofessional Employer Groups for Inclusion and Qualification (*Les groupements d'employeurs pour l'insertion et la qualification*, GEIQ), which have proved highly effective in recruiting individuals with low-level qualifications and who have difficulties entering the labour market, especially young people.

The social partners have also been actively involved in the *convention de stage* programme. For example, one of the four national interprofessional agreements between the social partners (*ANI du 7 juin 2011 sur 'l'accès des jeunes aux formations en alternance et aux stages en entreprise'* which was further extended on 22 October 2012) explicitly seeks to create a better framework for the way traineeships are implemented in companies. In this respect, the 2011 *Loi Cherpion* sought to strengthen the role of the works councils (*comités d'entreprise*) in overseeing company-based traineeships and ensuring that the *convention de stage* is respected. It is now compulsory that the works councils in such companies are kept informed on a quarterly basis about the number of trainees, their terms and conditions, and assigned tasks.

In Germany, the social partners promote apprenticeships and training opportunities for young people through collective agreements and tripartite agreements with the government and the professional

Chambers.<sup>19</sup> More specifically, the trade unions and employer organisations have concluded collective agreements on the creation of apprenticeship positions and funds to support companies retaining apprentices following completion of their training. The regional Chambers of Skilled Crafts and Chambers of Industry and Commerce are also key stakeholders in youth policies in Germany (including all three good practices considered in this report), being responsible for overseeing the apprenticeship training process (such as the content of theoretical and practical training, examinations, awarding of certificates, maintaining the apprenticeship register) but also supporting employers by, for example, providing training for apprenticeship tutors, and helping employers who take on an apprentice for the first time.

In Italy, the social partners are increasingly aware of the need to promote policies targeted at the employment of young people. The main employers' organisation (Confindustria) is encouraging companies to invest in highly educated young workers. Since the end of the 1990s, the three main union confederations, the Italian General Confederation of Labour (CGIL), the Italian Confederation of Trade Unions (CISL) and the Italian Labour Union (UIL), have responded to the growth of atypical work and its lack of representation with the creation of representative organisations for workers employed on atypical contracts.<sup>20</sup> Membership of these organisations extends to all workers who can be defined as independent, quasi-dependent or on fixed-term contracts, regardless of the sector and profession to which they belong. There have been several major developments that have responded to the rise of unemployment among young people. Since 2002, social partners have been involved in the implementation of the sectoral fund used for training and upskilling of young people to increase their long-term employability. The fund is financed by the levy applied to the overall salary which is payable by both the employees and employees and is managed directly by the social partners. More recently, in 2011, the social partners have put more emphasis on the promotion of apprenticeships for young people through collective agreements and tripartite cooperation with the regional authorities. Italia Lavoro is managing the national programme AMVA to promote apprenticeships in craft and traditional jobs in cooperation with the social partners. Since 2008, Higher Technical Institutes have been set up offering biennial tertiary non-academic learning pathways in dynamic sectors of the economy. They are managed by foundations involving VET schools, universities and research centres, enterprises and their associations. Recent evaluations show positive outcomes in terms of relevant skills formation and employability. Trade organisations and social partners are also among key stakeholders in AlmaLaurea's activities. The consortium promotes agreements between universities and trade associations wishing to offer AlmaLaurea's services in their territory. In fact, the social partners are cooperating increasingly with non-academic, tertiary education providers and are actively involved in the provision of training such as that geared towards upskilling and CV preparation.

In Sweden, the social partners are responsible for reaching agreements on the implementation of formal traineeship and apprenticeship systems. For example, the *National Apprenticeship Committee*, including industry representatives and trade unions, has played an important role in the design and assessment of apprenticeship programmes introduced in upper secondary schools. Trade unions have

<sup>&</sup>lt;sup>19</sup> In some cases, the agreement does not include all the social partners (Eurofound, 2011b), as for example in the case of the Training Pact. In this case, the pact does not include the trade unions who voiced concerns over the length of training and health and safety issues of the pact, as well as the duplication of institutional constructs that are already in place.

<sup>&</sup>lt;sup>20</sup> New Work Identities (Nuove Identità Di Lavoro, NIDIL-CGIL), the Coordination for Employment (Coordinamento per l'Occupazione, CPO-UIL) and the Association of Atypical and Temporary Workers (Associazione Lavoratori Atipici e Interinali, ALAI-CISL) – now called the Federation of Outsourced, Atypical and Temporary Workers (Federazione Lavoratori Somministrati Autonomi ed Atipici, FELSA-CISL) which was the result of a merger of ALAI and CLACS, concerned with VAT registration.

reached agreements on the implementation of formal training arrangements specifically targeted at school-leavers to ease their labour market transition. These agreements have included rules on the minimum wage for 'introductory jobs' and special regulations for laying off young people. Eurofound research (2011e) refers to two examples of existing agreements with a special focus on young workers. In November 2010, the Union of Metalworkers and several employer organisations in the sector reached an agreement. The agreement, called 'Occupational introduction', set special conditions for introductory jobs, allowing pay levels to be at least 75% of the sector minimum wage established by collective agreement. Another agreement of this kind is in place in the wood industry, enabling employers to recruit young people and students under special layoff regulations.

In the UK, business leaders and small employers are often consulted by government to discuss the design of measures to be implemented. This has happened, for example, in the case of the Youth Contract. In January 2012, the Confederation of British Industry (CBI), British Chambers of Commerce (BCC), British Retail Consortium (BRC) and Federation of Small Businesses (FSB) met with the Deputy Prime Minister Nick Clegg to discuss the Youth Contract initiative. The Deputy Prime Minister and the Minister for Employment Chris Grayling also met with senior representatives from some of the UK's largest employers, in order to hear how they offered young people work, training and apprenticeships in their organisations and to discuss the Youth Contract (Deputy Prime Minister's Office UK, 2012). Furthermore, the CBI has campaigned for 'subsidies to promote apprenticeships and training for young people' (Eurofound, 2011c) and has called for improved career services for young people to improve job-matching at all skill levels. On their side, trade unions promote the implementation of active labour market policies to support young people. For example, the Trades Union Congress (TUC) encourages its affiliated unions to develop campaigns for young workers and apprentices to recruit members and to campaign and negotiate with employers for a greater number of apprenticeships and training opportunities, in order to reduce the number of NEETS.

# Conclusion

The case studies provide a rich source of material for helping to understand good practice in relation to smooth school-to-work transitions for young people. The programmes and policies described and the outcomes they hope to achieve are clearly influenced by the national and policy contexts they operate in. Nevertheless, these policies encounter similar problems, not least in terms of the barriers they face in achieving the integration of young people into the open labour market.

This rich, deep and varied set of findings from seven countries allows for the identification of key themes to address the real needs of the target groups and shed light on how school-to-work policies can be further improved.

An important issue of interest in the study concerns the nature of the target group. It is crucial to recognise that young people are a very diverse group with different characteristics and often multiple needs. The study confirms that it is rather difficult to find effective measures that successfully target those that are furthest from the labour market. Policies and programmes should recognise this group from the beginning and structure their services accordingly.

In general, it was easier to identify measures addressed to people who were making the transition from school to work, than those for young people who had withdrawn from employment on grounds of ill-health or for other, non-labour-related reasons.

An important feature of successful programmes is the intensive and personalised guidance and support provided by personal advisers and mentors. Some programmes envisaged support not only for the young people but also for the employers. This proved to be particularly useful when dealing with the most disadvantaged young people where employers could need extra support.

The coordination of various factors involved in the school-to-work transitions is one of the vital determinants of a successful programme. Coordination between both the vertical (EU, national, regional and local) and horizontal (between and within departments) levels is a key indicator of an effective measure. This coordination is difficult to achieve especially with the different lines of responsibilities and separate budget lines. This is particularly pertinent at the moment, when youth unemployment is a key priority in almost all Member States. There is a danger of multiplication, duplication and lack of coordination between all those programmes. This can be counterproductive for the providers but more so for young people trying to find their way through the plethora of programmes.

A common challenge, in all but a handful of countries, is the lack of systematic monitoring and evaluation of the results to determine whether the measure has been successful. Attention is being paid to the need for more structured evaluation, however. The recently adopted EU Social Investment Package puts a lot of emphasis on the need for proper evaluation schemes to be embedded into the national programmes.

A number of broader socioeconomic factors will have a critical influence on the success of schoolto-work transition policies, including the impact of the recession, the impact of restricted funding on services and most importantly the creation of jobs. Despite the fact that the crisis has affected different Member States differently, almost all Member States are reforming their welfare systems which may lead to further constraints on relevant budgets and, consequently, services.

A major consequence of the recession is the increase in unemployment, in particular among young people. It reduces the pool of available jobs and increases competition to get them, making it even more difficult, especially for those furthest from the labour market, to get a job. Effective and forward-looking school-to-work transitions are key in ensuring young people have an outlet to use their knowledge and skills in a meaningful way.

# Conclusions

This report is the main and final outcome of the Eurofound project 'Labour market transitions of young people'. Within the framework of this project, Eurofound has recently published a comparative analytical report entitled *Young people and temporary employment in Europe* (Eurofound, 2013).

Chapter 1 of this report describes the labour market participation of young people in Europe in 2013. The second chapter introduces the concept of youth transitions in Europe and outlines the content of the report. Chapter 3 then focuses on mapping the general transitions to adulthood of young people in Europe. The fourth chapter analyses school-to-work transitions and discusses the various patterns identified among Member States. Chapter 5 looks at early labour market transitions of young people by focusing on the cohort of those in employment in 2008 and their persistence in employment. The final chapter presents and discusses lessons learned from a set of good practices implemented by selected Member States to support young people in their transitions from school to work. These conclusions present the main messages and policy pointers of the report.

In 2012, despite the many measures to combat youth unemployment launched by European institutions, young people still had to fight hard to find their place in the labour market. While some Member States have started to record a decrease in the youth unemployment rate, others have not been so successful. The prolonged jobs crisis has also forced young people to be less selective about the type of job they are prepared to accept. In some Member States, increasing numbers of young people are now turning to part-time jobs or find themselves stuck in temporary employment for a long time, with the risk that this insecurity will hamper their ability to plan for their future. The consequences of such a difficult entrance into the labour market can be seen in the impact on young people's more general transitions to adulthood.

School-to-work transitions are a fundamental step towards a young person's full integration into society, as they give access to paid employment, which is crucial to certain aspects of 'growing up', such as moving out of the parental home, entering partnership, getting married or having children. If the move into (secure) work and financial independence is delayed, this may affect these other aspects of adulthood and postpone those transitions. In this way, problematic school-to-work transitions can potentially harm and delay the transition to adulthood of young people and their establishment as independent citizens.

While, in literature, school-to-work transitions are often investigated separately from the more general transitions to adulthood, this report considers these two aspects jointly and provides a general map on youth transition. The report's findings identify the different pathways and dynamics of transitions among Member States. These range, for example, from the Nordic and apprenticeship clusters, where Member States are characterised by quicker youth transitions to adulthood accompanied by quicker and more successful transitions from school to work, to the Eastern and Mediterranean clusters, where their difficult and problematic school-to-work transitions are associated with very slow and late transitions to independence and autonomy.

The results confirm that countries with a quicker transition from school to work are, in many cases, those characterised by welfare regimes that have active labour market programmes, and by education and training systems that equip young people with the skills and knowledge needed in the labour market. The role of early labour market experience, whether embedded in formal apprenticeship programmes or not, has also been identified as important. It has also been found that, generally, the transition from school to work is quicker and more successful in those countries with a higher proportion of students combining work and education. More research investigating the effect of early

labour market experiences on future career pathways is needed in order to understand the positive and negative effects such experiences may have. For example, it is extremely important that students work only for a limited amount of hours in order to allow them enough time for their studies.

However, in some Eastern and Mediterranean Member States, the financial crisis has worsened the already difficult and slow pathway from school to work. The worsening of the quality of school-to-work transitions and the fewer chances for school-leavers to enter the labour market quickly can lengthen their already delayed transitions to adulthood. This can have serious consequences for young people planning their future, with some perhaps deciding to postpone parenthood further, or even deciding against it altogether. This may have serious consequences in those countries with an already skewed demographic structure and low fertility rate.

Moreover, in the Mediterranean cluster, this concern is also reinforced by the fact that many of those who do manage to get a job still have a precarious attachment to the labour market one year after leaving education. While evidence reveals that having a temporary job is better than being unemployed (in terms of future job prospects), the proportion of young people who move quickly from temporary to permanent contracts is limited, with the economic crisis making it even smaller. It is necessary to support this transition with policy initiatives and welfare reforms, in order to help young people feel secure in planning their future.

Young people's transitions to adulthood, particularly from school to work, have gained particular focus in the European agenda, because of their deteriorating prospects in the labour market and difficult transition experiences. While previous initiatives focused on skills development and getting young people a first job, the European Commission has now strengthened its focus on young people's transitions. This reflects the rising concern about young people spending longer periods in transition, and that this may become the norm, obstructing the prospects of Europe's young people. At the same time, Member States have been actively engaged in designing and implementing policies aiming at supporting young people's transition from school to work.

In this regard, the case studies in the report provide a set of key themes characterising good practices implemented in Member States. They also show what lessons have been learned, shedding light on how these policies can be improved.

The case studies show that, when targeting young people, it has to be borne in mind that this group is extremely diverse, with different and often multiple needs. For example, the newly graduated have hugely different needs to those of early school-leavers. It is particularly difficult to find effective measures aimed at those furthest from the labour market. This group often has multiple disadvantages that require a multifaceted approach from the outset. Policies and programmes should recognise this group from the beginning and structure their services accordingly. This is why the most effective measures are characterised by the provision of intensive guidance and support, with personal advisers and mentors optimising the match between an individual and any scheme. Some of the programmes have a broader scope: in addition to instruments that focus on labour market integration, they can also encompass tools that help with non-labour related issues, for example housing or healthcare.

Similarly, the coordination and involvement of all labour market actors, including educational providers and social partners, is vital to the success of programmes designed to support school-to-work transitions. The inclusion of health workers is also very important to ensure that the most marginalised young people are helped. This coordination is very difficult to achieve, given

the different lines of responsibility and separate budgets. However, reforming these incongruences should be a priority especially when one considers the efforts of Member States to implement the Youth Guarantee schemes, the success of which depends on strong coordination.

Most countries do not systematically monitor or evaluate the results of their schemes, so they cannot determine their success. Nevertheless, attention is being paid to the need for more structured evaluation so that money can be invested more effectively and efficiently in these measures. Indeed, the EU Social Investment Package published in February 2013, and the Council recommendation on the implementation of the Youth Guarantee (European Commission, 2012d) put a lot of emphasis on the need for national programmes to include formal evaluation schemes. For this reason, there are expectations for much more robust commitment in this field.

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# Annex 1: Description of the policy measures based on the Eurofound typology

Measures to prevent early school-leaving recognise that there are supports that can be provided within the school environment, at home or through holistic support measures that can improve students' chances of staying in education or training.

Measures to reintegrate early school-leavers seek to provide timely support for those who have just made the decision to drop out by encouraging and enabling them to continue their previous studies or to find other, more suitable training alternatives.

School-to-work transition policies intervene at a slightly later stage of the pathway as their primary goal is to ease young people's transition 'from learning to earning' and therefore to ensure that public investment in education and training is maximised.

Measures to foster employability and measures to remove practical and logistical barriers to employment are policy interventions that intervene closer to the labour market entry point. The former seek to address gaps in transversal and job-specific skills and competences (as well as other labour market abilities and aptitudes), while the latter aim to address specific barriers faced by young people from vulnerable backgrounds.

# Annex 2: Multivariate logistic regressions for the EU aggregate

# Table A1: Results of the multivariate logistic regressions for the EU aggregate

	Odds ra		Odds ratios		
	2006–2	007	2008–2	009	
ersonal-related variables					
Age (ref: 15–19)	4.62	**	4.50	*	
Age 20–24	1.63	**	1.50	*	
Age 25–29	2.32	**	2.18	*	
Sex (ref: Male)	0.00		0.70	*	
Female	0.62	**	0.78	*	
Educational level (ref: low education)					
Medium	1.10		1.31	*	
High	1.61	**	1.84	*	
Marital status (ref: single)					
Married	0.72	**	0.74	*	
Divorced/widowed/separated	0.85		0.69	*	
Health (ref: good or very good)					
Fair/bad/very bad	0.72	**	0.74	*	
ousehold-related variables					
Deprivation index (ref: non-deprived household)					
Deprived household	0.93		0.79	*	
Living with relatives (ref: living with at least one parent/and no partner)					
With partner working full time	1.17	*	1.05		
With partner working part time	2.11	**	1.31		
With a non-working partner	1.40	**	1.17		
With no parents/partner	1.12		1.04		
Person is parent to a child in the household (ref: no parent)					
Parent	0.90		0.86	*	
b-related variables					
Type of employment (ref: full-time and permanent worker)					
Part-time and permanent worker	0.57	**	0.61	*	
Full-time temporary employee	0.46	**	0.43	*	
Part-time temporary employee	0.36	**	0.34	*	
Employee unknown contract	0.72	*	1.01		
Occupation (ref: legislators, senior officials and managers)	· · · · ·	· ·			
Professionals	0.97		1.18		
Technicians	0.89		1.01		
Clerks	0.98		0.79		
Service and sales workers	0.77		0.82		
Agricultural/fishery	0.82		1.28		
Craft/trade workers	0.95		0.69	*	
Plant/machinery operators	1.07		0.65	*	
Elementary workers	0.61	**	0.63	*	
Armed forces	0.82		2.87	*	
Work experience (ref: up to 1 year)					
2–4 years	1.34	**	1.42	*	
5–9 years	1.48	**	1.47	*	
10 years or more	1.60	**	1.54	*	
Working hours (ref: less than 40 hours)	1.00		1.51		
40–49 hours	1.15	**	1.16	*	
More than 50 hours	1.17		1.58	*	
Changed job since last year (ref: yes)	1.17		1.50		
Did not change job	1.24	**	1.21	*	
puntries (Ref: AT)	1.24		1.21	~	
	1.40	*	1 50	*	
BE	1.49	^	1.50	*	
BG CY			1.35	*	
	0.90		1.77	*	

	Odds	Odds ratios 2006–2007		Odds ratios 2008–2009	
	2006-				
DK	0.82		1.93	**	
EE	0.59	**	0.47	**	
EL	0.73		1.30		
ES	0.66	**	0.65	**	
FI	0.45	**	0.68	**	
FR	1.03		1.96	**	
HU	0.45	**	1.28		
IE	0.64	**	0.64	**	
IT	0.66	**	0.94		
LT	0.73		0.52	**	
LU	1.09		1.52	**	
LV	0.60	**	0.40	**	
MT			1.99	**	
NL	1.72	**	2.22	**	
PL	0.86		1.75	**	
PT	1.17		1.57	**	
RO			4.11	**	
SE	0.77		1.09		
SI	1.52	**	1.85	**	
SK	1.14		1.27		
UK	0.90		1.45	*	
Labour market status in the previous year (ref: employed)(a)					
Unemployed/inactive	0.42	**	0.42	**	
In education	0.40	**	0.54	**	
PseudoR2	0.10		0.12		
Observations	21,706		23,427		

\*\* Indicates coefficients statistically significant at the 0.05 level and \* Indicates coefficients statistically significant at the 0.1 level. Data for Germany are missing for both periods, while calculations for 2006–2007 exclude Bulgaria, Malta and Romania. Since the variables included take into account most of the attributes of populations (age, gender, education, type of employment, occupation and so on) weights are not applied to the sample. If weights are applied, results are broadly in line with the ones reported here, but all variables become extremely significant.

(a) All coefficients reported in the table refer to the results of regression excluding the variable on the previous labour market status. When this variable is included in the model, the new odds ratios are reported on only for this variable.

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Young people in Europe continue to experience great difficulties in entering the labour market. Although the youth unemployment rate in a few Member States has started to fall, overall 23% of young European job-seekers aged 15–24 could not find a job in January 2014. In 2012, 14.6 million young people across Europe were not in employment, education or training (NEETs), accounting for 15.9% of the entire population of those aged 15–29. This report analyses the labour market situation of young people in Europe, focusing in particular on their school-to-work transition, while also monitoring their more general transition to adulthood. The report also investigates the ability of young people to remain in employment against the odds during the crisis and charts their transitions from temporary to permanent contracts. The report concludes with a discussion on the strengths and weaknesses of selected policy measures.



