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**COUNCIL FOR EMPLOYMENT,  
INCOME AND SOCIAL COHESION**

**A NATIONAL  
RESPONSIBILITY**

**THE SCHOOL-TO-  
WORK TRANSITION  
OF YOUNG PEOPLE  
WITHOUT DIPLOMAS**

Report no 9



**CONSEIL DE L'EMPLOI, DES REVENUS ET DE LA COHÉSION SOCIALE  
COUNCIL FOR EMPLOYMENT, INCOME AND SOCIAL COHESION**

**A NATIONAL  
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**THE SCHOOL-TO-WORK TRANSITION  
OF YOUNG PEOPLE  
WITHOUT DIPLOMAS**

**REPORT NO. 9**

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The report which follows was approved by the Council on May 21<sup>st</sup>, 2008.



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In its 2006 report *Times of Change: France 1993-2005*, the CERC argued for a reform of continuing training. At that time, it raised the following question: ‘what can and should continuing training policy do to assist the vocational and social integration of young people, and in particular, the 190,000 of them exiting school or university without a diploma corresponding to the studies they have pursued?’ To which it added, ‘This is a project of national interest and one which the social partners should launch without further delay’.

This is why the CERC has now undertaken the analysis of the situation of these young people, or at least those exiting initial education and training without a diploma. In the process, the Council has been led to examine more broadly the whole of the policies aimed at assisting their integration.

Leaving initial education and training without attaining an adequate level of knowledge and skills means entering the world of work, as an adult, with severe handicaps. In 2004, 117,000 young people left initial education and training without an upper secondary diploma.<sup>1</sup> These exits without diploma represent about 17 percent of each generation. In France in particular, the resumption of studies is rare, which means that leaving school without an initial education and training diploma implies a very high probability of not acquiring one in the course of working life.

Exiting without a diploma also means exiting in a position of educational failure. Indeed, the social norm has become the continuation of studies until the end of secondary education (general or vocational) and no longer the end of compulsory schooling.<sup>2</sup> And not having a diploma also means being identified as a failure by potential employers. In a labour market which has been far from full employment for a long time and where there is heavy pressure for flexibility and immediate productivity, young people without diploma accumulate, in spite of themselves, the difficulties of labour-market entry resulting from changes in our society, especially since many of them are further disadvantaged by their ethnic, social or geographic backgrounds.

What do we know about these young people? What do we know about their entry into working life? What efforts are being made to try to solve their problems and how might these attempts be improved? What can we learn from examining the practices of our European partners? These are the questions the CERC has attempted to address in its ninth report, primarily by drawing on a rereading of existing studies, as well as on interviews carried out with a variety of national and local actors.

The first three chapters of the report successively analyse the origin of the early school-leavers and recall the sources of this failure which are important for remedying it (Chapter A); the difficulties of their school-to-work transition (Chapter B); and the public schemes concerning them (Chapter C). A final chapter and three appendices shed light on experiences elsewhere in Europe.

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<sup>1</sup>. According to the formula adopted in the *Bilans Formation Emploi* prepared by INSEE (France’s National Institute of Statistics and Economic Studies) and other public research bodies in France (DEPP, DARES, CEREQ), a school-leaver is a young person who has exited the education system at least one year earlier.

<sup>2</sup>. The French Education Code, moreover, provides for the extension of the compulsory education period if the age of 16 is reached without sufficient training.

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It is obvious that the heart of the response to this problem lies in early-education policy, a subject already debated elsewhere. At a time when reforms are under discussion, the CERC did not wish to add another report to those already published.

Some members of the Council stressed that the shortcomings of the educational system were one of the sources of the young people's difficulties. But they also called into question the functioning of a labour market marked by a segmentation unfavourable to entrants. Indeed, in periods when employment is scarce and the functioning of the labour market unsatisfactory, young people without diploma face the greatest entry difficulties.

There was, however, complete consensus on the great interest of opening up the labour market so as to permit the acquisition of a qualification through a pathway combining work and training, notably by means of alternating training contracts. Given that the fight against these inequalities requires a national effort, the different economic sectors and companies would do well to offer such pathways to these young people.

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In the following pages, the Council attempts to redefine the objectives to be pursued in policies for assisting the integration of young people exiting without diploma and advance several proposals. The latter are all motivated by the fundamental need for individual support among these young people who have often lost confidence in themselves and faith in the future. Successful experiences in other countries show, moreover, the central role of regular monitoring where they are concerned.

## **I. IS IT POSSIBLE TO REDUCE THE PROPORTION OF EARLY SCHOOL-LEAVERS?**

Given the general trend towards a 'knowledge economy' and the threat weighing over many low-skilled jobs in all the sectors facing competition from low-wage countries, the European governments meeting at the Lisbon summit (2000) gave themselves the objective of reducing the proportion of early school-leavers. This goal was further defined by the meeting of the Council of the European Union on 5-6 May 2003: relative to the benchmarks for average European outcomes in education and training, the Council fixed two quantitative objectives for the EU in 2010.

The first is to limit to 10 percent or less the average rate of young people (aged 18-24) with lower secondary education or less and not pursuing education or training.<sup>3</sup> The second is to attain a rate of 85 percent of 22-year-olds completing upper secondary education. The objective is thus that in 2010, less than 15 percent of 22-year-olds in the EU would have not completed upper secondary education.

Here in France, we do not seem to be too far from this average goal for the EU. Should we settle for that?

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<sup>3</sup> In 2006, France's indicator was 12% (*source*: EUROSTAT, Employment in Europe). The figure is lower than that for the second indicator (17%) because some young people had been in training during the month preceding the survey.



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In a Europe facing worldwide competition, the target should rather be that of reaching the level of the best performances, which is around 10-12 percent. This is especially true because employment prospects are particularly sensitive to educational level in France, and improving the level of training at adulthood is less common.

As the CERC's seventh report, *Times of Change: France 1993-2005*, indicated, in order to achieve stronger growth, France has to improve the qualifications of its labour force considerably: in a largely globalised economy, competition spells death for many activities with low value added. In the current situation, public finances are exhausted in a struggle against unemployment through jobs subsidised via reductions of employer social contributions on low wages or massive aid for at-home personal service jobs (CERC, 2008).

It is thus urgent to fight against failure during initial education and training. But it is now well known that the process gets underway with the beginning of school, if not before; it simply takes on greater proportions in the course of schooling. It is also well known that such failure results from an interaction between the social and cultural background of the family, notably poverty situations, and the functioning of the school system.

It is thus necessary to reinvent the entire educational curriculum, and notably to improve the status of vocational training (including apprenticeship), which emphasises other skills than the verbal-conceptual ones emphasised in general education. It is also necessary to find ways, within the educational system, of counteracting the effect of unfavourable socio-economic factors.

The results will take years to manifest themselves: the time to define the reforms to be undertaken over the whole of schooling, and then to get them accepted and put into practice. Although this undertaking is not the subject of our report, we can only emphasise its importance. We must, however, recall (Chapter A) the origin of the difficulties in reaching an adequate level of schooling in order to understand better how they weigh on these young people's entry into employment.

## II. THE NEED FOR A POLICY OF ASSISTANCE TO EARLY SCHOOL- LEAVERS

That said, should we limit ourselves to noting the present situation and waiting until, in a decade or more, wide-reaching educational reforms will reduce the flow of young people without qualification? In the meantime, should we undertake policies aimed at supporting only low-skilled employment, through a policy mix including moderation of minimum wage increases, reductions in social contributions, subsidisation of the demand for low-skilled service jobs and increased flexibility of employment? Should we introduce compensation schemes for earned income (employment bonus [PPE] or active solidarity income [RSA])?

There are arguments going in this direction. In particular, it is maintained that the economic return to continuing training is low, and especially in the case of individuals with a weak educational background, which would thus explain why in-company continuing training is channelled above all to the categories of the labour force with the most qualification and the most stable employees (but young enough to have the time to make the investment profitable over the rest of their careers).

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Such an argument ignores, however, the effects of improved qualification on overall growth, as well as the social costs of excluding a large proportion of the population from the average trend. Not to mention the fact that the intervention on labour costs and the increased flexibility of work stations needed in order to absorb an over-abundant low-skilled workforce would lead to a considerable aggravation of wage inequality and poverty.

In 1997, the government of the United Kingdom adopted a similar diagnosis on the subject of the overly large proportion of young people (of the rest of the population) with insufficient education and training and its extremely negative impact on the level of productivity, which was quite far below that of other European countries.<sup>4</sup> This situation, combined with the absence of wage regulation, led to a very high proportion of low wages and poor workers. Over the past decade, the government has opted for a strategy aimed notably at raising the minimum wage, increasing continuing training and maintaining a highly flexible labour market.

Other considerations must also be taken into account in defining the policies to be implemented, notably those related to social justice. Without underestimating the early school-leaver's individual share of responsibility for his or her situation, it is clear that for many of them, the failure is mainly the result of factors determined by the social and economic environment during their childhood or teen-age years (see Chapter A).

A society whose republican ideals include that of genuinely equal opportunity must recognise that most early school-leavers have not benefited from it. And for that reason, it is only fair that the society makes a special effort, not simply to permit these young people to find employment but also to allow them, as much as possible, to arrive at a level of training and qualification which will put them back in the mainstream of their generation, to regain confidence in themselves and to achieve their life ambitions. On this point, we would do well to avoid placing too much emphasis on a 'second chance' because, without dwelling on the negative picture, it must be said that they have rarely been offered the 'first chance' which they would have wasted.

On the basis of this point of view, it is possible to define public-policy objectives in terms of three questions:

- How to provide support for young people risking failure in the completion of their initial schooling so as to permit them to arrive at a positive outcome?
- Once the break with the education system has occurred, what forms of individual support and job-entry assistance are necessary, not only in order to achieve a minimum of economic independence but to make up for the handicap of their initial education and training as much as possible?
- Given the fact that these students quite often suffer from social and economic handicaps as well but, unlike many others, cannot depend on their families during this transition phase, what specific support can be provided?

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<sup>4</sup> This diagnosis can be found in both the first studies of the Low Pay Commission (1998) and the recent Leitch report (2006).

## 1. Is retention in initial education and training a solution?

Over the past decade, France's national education system has developed a General Integration Mission (Mission générale d'insertion, MGI) aimed at preventing exits 'without qualification' (see Chapter A, part I, on the use of this term in relation to the field of our report). Its action takes place both before and after the interruption of studies. In the first instance, it attempts to prevent such breaks by anticipating the causes of such exits 'without qualification' among students under age 16. In the second, it identifies young people who have left school less than one year before obtaining a first qualification and works with them to get them back into a learning dynamic and help them prepare training leading to qualification. The MGI will be analysed in greater detail in Chapter C but several points are worth noting here.

Interruptions of education and training do not arrive like bolts of lightning which strike certain young people at the end of their schooling; most often, as we have already indicated, the problems develop gradually from the time of primary school or with entry into middle school. The education system cannot provide adequate follow-through of these students with their growing problems or allocate the means to resolve them as much as possible. Under the circumstances, an Integration Mission set up at the end of the process may well be doomed to failure. What kind of linkage should be introduced between the MGI and monitoring throughout the schooling of young people with problems?

The objective assigned to the institution seems to be more the resumption of schooling than the fact that this resumption should lead to the obtaining of a diploma at the end. For this reason, it is surprising that the MGI's scorecard does not include indicators on the students' final situation. Does putting the 'dropouts' back into the initial education and training circuit permit them to improve their final school record, namely by obtaining a higher secondary diploma or at least completing secondary studies, even without a diploma?

The linkage of the MGI scheme with outside actors (public employment service, local youth missions) seems to vary considerably across regional education authorities. When it is poor, it delays the contact between the early school-leavers and the structures likely to help them to develop a career path.

It is clearly necessary to have a specific mission assisting young people with academic problems who are reaching the end of compulsory schooling. But an in-depth evaluation should attempt to redefine its objectives: privileging retention in/resumption of schooling only makes sense if this permits the student to obtain a secondary-school diploma. And in any case, the objective should also be an efficient transfer to the structures of the public employment service responsible for assisting labour-market entry (notably the local missions).

## 2. What kind of assistance to provide?

What kind of assistance should the public employment service provide for young people who have left initial education and training without a formal qualification and do not find a job? If, as with any process of back-to-work assistance, it must be adapted to the variety of individual situations, three aspects are more specific to this kind of public.

- The assistance must be multidimensional: in certain cases, the personal and social problems of the young people involved are so great that they must first be addressed and reduced in order to permit any steps leading to job entry.

- The action must continue over time. The problems of these young people have developed during a long process. The only way to resolve, or reduce, them is to create a pathway over what is often a period of several years is. For all young people, a stable school-to-work transition takes time (see Chapter B); this is especially the case for those without diploma.

- In order to reduce their main handicap, the back-to-work assistance pathway should be aimed at the acquisition of skills and qualifications, including the basic skills which they have not mastered during initial education and training. It must also be recognised that, for publics which have experienced failure in the formal structures of initial education and training, the essential training will most often be acquired in work situations; the 'resumption of studies' is only a viable option for a very limited share of them.

How do the instruments utilised fit into this framework and which institutions are involved (see Chapter C for a detailed description)?

In its 2006 report *Assisting the return to employment*, the CERC stressed the extremely complex organisational chart of the institutions participating in the personal support and compensation of jobseekers, a complexity which was limiting the efficiency of the entire system. When we examine the range of institutions intervening in the integration of young people, the same features emerge. Indeed, their consequences are aggravated because the young people are in transition between two very different worlds, that of education and dependency on their parents (in terms of social protection) and that of the labour market and all the social rights it should confer.

If the very poor linkage between school and labour market is often emphasised, not enough attention is paid to the gap between the two in terms of social protection. In France, the local youth missions (and the drop-in centres for information and guidance known as PAIOS) have as their main responsibility assisting the social and economic integration of all young people aged 16-25 who come to them or are referred to them by the National Employment Office (ANPE) through 'co-contracting'.<sup>5</sup> The public of these structures is not limited to early school-leavers, but this group represents more than half the young people contacting them.

The local youth missions constitute a specific operator but not the only one. Young people registering as jobseekers are also handled by the ANPE. Many other actors also intervene in terms of their specific responsibilities: we have already cited the national education system (MGI) but France's administrative regions are responsible for training, and the *départements* are also involved through social action (notably for the management of the youth assistance funds [FAJ]), along with the municipalities and others.

**Improving the  
identification of  
young people with  
problems**

Before coming back to the problems of co-ordination between these actors and the related question of the system's efficiency, we must first of all stress the difficulties of identifying and taking charge of young people during this transition period. The linkage between the education system and the public employment service (notably the network of local youth missions) needs considerable

<sup>5</sup> The PAIOS (*points d'accueil, information, orientation*) now tend to be replaced by the local youth missions.

improvement, if only in terms of the exchange of information and referrals before the end of schooling.

### ***Building pathways***

Young people in difficulty may require fairly global assistance and personal support provided over time. This support may come under a specific programme, such as the CIVIS contract for social integration (*contrat d'intégration dans la vie sociale*). Created in April 2005 in the context of France's social cohesion plan, CIVIS replaces the earlier TRACE scheme for access to employment (*trajet d'accès à l'emploi*); it is implemented by the network of local youth missions and PAIOs.

By mid May 2007, CIVIS involved 255,000 young people. It is thus a sizeable scheme, even if it is far from covering all the early school-leavers who have not yet found a job. Like TRACE, CIVIS functions within a contractual relationship combining individualised monitoring by an advisor (from a local mission or PAIO) whom the young person sees regularly, back-to-work assistance, which is either direct or through subsidised contracts or professionalising training, and, if needed, other provisions to resolve problems of health, housing and so on.

If there is thus an instrument permitting the construction of suitable pathways, its time frame remains open to question. Indeed, CIVIS is a one-year contract which can be renewed once, or as many times as necessary up to age 26 in the case of the 'intensified' CIVIS for early school-leavers. But would it not be preferable to construct longer pathways from the outset?

In practice, the annual framework does not permit easy recourse to instruments such as subsidised contracts or training courses which are managed by actors outside the local mission; moreover, this time period is often insufficient to construct a real employment-training pathway. And we might also ask whether the advisors should not continue to monitor the young people exiting towards so-called stable jobs (given that a stable job is defined by the fact that it entails a permanent work contract or a fixed-term contract of more than six months)? It appears that some local missions practice such follow-through.

### ***Subsidised contracts and training***

Given its difficulty in ensuring the school-to-work transition (notably because of the small proportion of work-linked initial training), France has long developed a great number of subsidised contract schemes for young people, especially those aimed at 'young people without qualification' (*jeunes sans qualification*) as defined by the national education system (levels VI and V bis, see Chapter A). It has also made considerable use of youth training courses, some of which have historically served in part as a kind of 'dead-end training' to reduce unemployment statistics. Several forms of these training courses disappeared in 2005 with the creation of the professionalisation contract. Training courses now come mainly under the responsibility of the administrative regions.

Among the subsidised contracts available for young people, a distinction must be made between those with high training content (apprenticeship and professionalisation contracts) and the others. In principle, the first group corresponds better to the objective which should, in our view, be pursued, and available evaluations (bearing on all beneficiaries and not only early school-leavers) are positive, in terms of access to lasting, non-subsidised employment. In practice, however, few young people without diploma obtain this kind of contract.

The other subsidised contracts (in the case of young people, mainly those for ‘integration into employment’ (*contrats d’accompagnement dans l’emploi*, CAE]) include, theoretically, a personal support programme and/or training.<sup>6</sup> But where such training exists, it consists in very large part of a simple adaptation to the work station. These part-time, short-term contracts (generally lasting six months) with little training content thus are not enough to permit the early school-leaver to find a non-subsidised job, or even acquire the prerequisites for a professionalisation contract. For young people without qualification, it would be useful to have training activities integrated into these subsidised contracts, given that training is all the more effective when it is associated with work situations, especially for these publics. There are regional initiatives along this line; these should be evaluated and possibly put into general practice.

An approach of this kind could be built on ‘integration into employment’-type contracts, but on a full-time basis, with one part devoted to basic and vocational training funded chiefly by the regions. This scheme could replace, in part, the training activities (courses) already funded by the regions. Such subsidised contracts should, at the least, permit the acquisition of a sufficient training level to qualify for professionalisation (or apprenticeship) contracts if the young person does not manage to obtain a non-subsidised job directly. This raises the question, however, of organic co-operation between actors (the central government for the subsidised contract and the region for training); in addition, the length of the contracts would probably have to be increased to allow for training leading to qualification.

### III. IMPROVING CO-ORDINATION AMONG ACTORS PROVIDING PERSONAL SUPPORT FOR YOUNG PEOPLE ON THE LABOUR MARKET

The **local youth missions**/PAIOs are responsible for assisting young people aged 16-25 in their social and professional integration. They are notably in charge of the CIVIS scheme (see above). They receive a large number of young people (1.2 million in 2006). More than half of the first-time visitors (477,000 in 2006) are early school-leavers (260,000).

The ANPE has also come to receive part of the early school-leavers registering as jobseekers, although its administration believes that many do not make their way there. The ANPE directs part of these jobseekers to the local missions in the context of co-contracting, often those whose difficulties are not limited to employability.

In sum, it appears that many early school-leavers miss out on personal support programmes and most often this is not because they have found a job and achieved a satisfactory social and professional integration on their own. If other actors are led to intervene within the framework of their own responsibilities, only the local missions have an integrated approach for this particular public, taking into account the complexity of the problems, whether they are personal, social, or related to the search for employment. On the other hand, these missions have to call on the various institutional partners for the different kinds of assistance which

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<sup>6</sup> Many young people without qualification used to have access to ‘young company employees contracts’ (*contrats jeunes en entreprise*), which were also known as ‘support for young company employees’ (*soutien à l’emploi des jeunes en entreprise*) in the market sector. But this scheme was mainly intended to encourage companies to hire young people on permanent rather than temporary contracts. The young company employees contracts included no specific training components except when the scheme benefited from professionalisation contracts. They have in fact been eliminated as of 1 January 2008.

can be provided: the regions, mainly for training; the *départements* for financial aid (FAJ), the central government for certain subsidised contracts and the funding of specific activities (FIPJ, discussed below), and so forth.

The intervention of the local missions in this context raises various questions. Stemming from local initiatives, the missions are quite varied in size, in terms of resources and geographical coverage alike. Certain structures cover less than one municipality in the large metropolitan areas while others are responsible for an entire *département* (e.g. the Landes). In addition to the state, the public authorities at regional and *département* level participate in the funding of the local missions (and are therefore represented on the board of directors) when the mission's activity touches on their own responsibilities (training in the case of the regions, etc.)

Various considerations, such as divergences over the policy to be carried out, may however limit the number of partners associated with a local mission. In the end, can we be sure that the public employment service offers young people with integration problems a minimum of equal opportunity?

Furthermore, even if a territorial authority has recourse to a local mission, it does not limit itself to this channel in the exercise of its authority: the local missions are not 'one-stop' services for the young people of their territory. The agreements between the state and the missions place the emphasis on entry into employment, which is considered, legitimately in our view, as the primary objective. Two remarks are in order, however.

With regard to early school-leavers, this objective (translated into outcome indicators as the fact that the young person finds a non-subsidised job lasting more than six months or an alternating training contract) should be accompanied by emphasis on an increase in the individual's skills and their certification. At present, the definition of the primary objective of access to employment does not sufficiently take into account the length of time needed, in many cases, to attain it. The objective should be expressed more in terms of building an integration pathway, which would also permit the other aspects of the local missions' interventions (resolution of personal or social problems of the young people concerned) to be better taken into account. As we have indicated above, the limited time frame of the available instruments (including CIVIS) is not conducive to the elaboration of these pathways, especially since the local missions have to mobilise various instruments handled by numerous public institutions, which generates a considerable expenditure of energy for administrative procedures.

#### IV. REMARKS ON THE PRINCIPLE OF FINANCIAL ASSISTANCE FOR YOUNG PEOPLE

In analysing the different forms of assistance provided for young people, we must come back to the difficult question of financial assistance, and in particular, their exclusion from the minimum income benefit (*revenu minimum d'insertion*, RMI). In general, when young people under age 25 are not in employment, they do not often receive income substitution benefits and other assistance is extremely fragmented. Because of the rules governing unemployment insurance, the proportion represented by young people among allowance beneficiaries is half of their proportion among the total number of unemployed persons; this figure for the entire age group is undoubtedly much higher for early school-leavers, whose problems with entry into employment are even greater. In addition, young people do not have direct access to the RMI (unless they have a dependent child), although they may contribute to the RMI of their parents (through the increase per

dependent child). On the other hand, they are eligible for different forms of assistance (remuneration from vocational training, temporary allowance in the context of CIVIS) or youth assistance funds (FAJ) allocated to projects.

At the time the RMI was introduced in 1988, lawmakers felt that it should not be opened up to young people exiting initial education and training, for fear that such an income would dissuade them from actively seeking employment. This position has been maintained ever since.

As we have seen, this argument has not been accepted in other countries which provide the minimum income benefit at adult age, but combine it with strict requirements to enter a jobseeker's support scheme or training programme and give themselves considerable means. We may note in passing that such an approach creates incentives to make contact quickly with the institutions in charge of organising the support, whereas in the French situation, there is often an excessive delay before contact is made (see below), and in the meantime, the young peoples' problems worsen. The Council thus hopes, once again, because it has already expressed this view in its report on *Assisting the Return to Employment*, that the question of the young people's eligibility for an allowance closely associated with an active procedure for access to employment will be carefully examined by the public authorities in consultation with the social partners.

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If, as the Council has attempted to demonstrate in this report, the economic and social integration of early school-leavers is (along with an in-depth reform of the educational system) a major project to be gotten underway with urgency, the question of its organisation must also be addressed.

Considerable means have already been applied, with an effectiveness diminished by the dispersal of responsibilities and actors. Instruments exist but they need to be redesigned in light of the objectives to be attained. Finally, and perhaps above all, the mobilisation of the actors and the co-ordination of public policy require the designation of a single official reporting directly to the Prime Minister.



## I. THE FIELD OF THIS REPORT: DEFINITION AND EXPLANATIONS

The CERC has chosen to devote its ninth report to the school-to-work transition of young people exiting initial training and education without obtaining an upper secondary diploma, namely the different *baccalauréats* (general, technical or vocational), the vocational studies certificates (BEP), or vocational aptitude certificates (CAP). In 2004, 117,000 young people fell into this category.<sup>1</sup> They represent 17 percent of the total number of young people exiting initial training and education that year (DEPP, 2007).

The choice of this field corresponds to the new directions established since the beginning of the century, both within the European Union, with the Lisbon strategy, and in France, with the objectives assigned to the education system. Previously, the national education system, like employment policies, operated with a more limited field of so-called exits ‘without qualifications’, corresponding to Levels VI and V BIS of the French training classifications (see box). Young people who had not entered general or technical high school or who had access to a final preparatory year for a BEP or CAP were thus considered ‘without qualifications’.

The field has now been expanded to include all young people leaving initial education and training without an upper secondary diploma. This extension can be explained by the importance of raising the general level of education and training, in France and other countries of the European Union alike, in order to stimulate growth and guarantee economic competitiveness. In a ‘knowledge economy’, those who do not have an adequate level of training are more vulnerable to unemployment and lasting under-employment.

### 1. European and French objectives

In the French Budget Memorandum for 2008, one of the performance indicators associated with the objective of ‘bringing the maximum number of students to the skills levels expected at the end of schooling and the obtaining of the corresponding diplomas’ is the ‘proportion of young people aged 20-24 with at least one upper secondary diploma’ (*baccalauréat*, BEP, CAP). This indicator reached 83.2 percent in 2005. The forecast for 2008 is 84 percent and the target for 2010, 85 percent.

At EU level, two quantitative objectives have been defined for 2010. The first concerns the education and training level alone: that 85 percent of young people aged 22 successfully complete upper secondary education and training.

The second covers not only initial education and training level but also participation in continuing training.<sup>2</sup> It is termed, albeit imprecisely, the ‘reduction of the percentage of early school-leavers’. By 2010, young people who have not completed upper secondary education and are not pursuing either studies or training (for even one hour during the month preceding the Labour Force survey) should represent less than 10 percent of the population aged 18-24. The

<sup>1</sup>. According to the formula adopted in the *Bilans Formation Emploi* prepared by INSEE (France’s National Institute of Statistics and Economic Studies) and other public research bodies (DEPP, DARES, CEREQ), a school-leaver is a young person exiting the education system for at least one year. A young person in alternating training with a professionalisation contract is not considered to be in initial education and training, even if the contract is signed immediately after the exit from the school system.

<sup>2</sup>. This indicator will hardly be used in our report. Let us simply say that the first indicator was 17% for France in 2006 and the second, 14%.

situation of the EU member countries in relation to these two objectives is measured through their respective Labour Force Surveys (LFS), corresponding in France to INSEE's Labour Force survey.

### *Classifications*

In order to permit international comparisons, a classification has been jointly designed by UNESCO, the OECD and the EU (Eurostat). This is known as the International Standard Classification of Education (ISCED). In spite of the problems inherent in this kind of exercise, we cannot overlook the lessons to be drawn from international statistical comparisons.

#### **International Standard Classification of Education (ISCED)**

**ISCED 1:** Primary education

**ISCED 2:** Lower secondary education

**ISCED 3:** Upper secondary education

**ISCED 4:** Post-secondary non-tertiary education (practically nonexistent in France)

**ISCED 5:** First stage of tertiary education

**ISCED 6:** Second stage of tertiary education

Students without upper secondary qualifications are classified at most as Level 2.

The report prepared by Jean-Richard Cytermann and Marc Demeuze (2005) at the request of France's High Council for School Evaluation, signals the methodological difficulties posed by the construction of a classification guaranteeing the comparability of indicators at international level. The terminology has to reflect the similarities between programmes while adapting to the different national contexts.

Cytermann and Demeuze point out that the classification of Level 3 training raises the greatest problems of harmonisation, notably in its vocational component. This level includes individuals who have successfully completed at least two years of upper secondary education and training, corresponding to the BEP and CAP programmes in France. But the United Kingdom classifies the first vocational training programmes lasting less than two years at ISCED Level 3, while they should logically be at Level 2. On this point, the international bodies may or may not correct British statistics (cf. Chapter D, Appendix 3).

The French classification of training levels is the following:

#### **French national classification of training levels**

**Level VI:** exits from lower secondary education and one-year pre-vocational training programmes

**Level V bis:** exits from first year of general and technical upper secondary, from last year of technical lower secondary and from short upper secondary before the final year

**Level V:** exits from the final year of short vocational programmes and abandoning of upper-secondary education long before the final year

**Level IV:** exits from final year of full upper-secondary education and abandoning of post-*baccalauréat* education before reaching Level III

**Level III:** exits with diploma at *baccalauréat* + 2 years level (DUT, BTS, DEUG, public health or social service programmes, etc.)

**Levels II and I:** exits with full university or graduate diplomas or those from Grandes Écoles.

Until 2007, the ‘rate of exits at levels VI and V bis’ was one of the performance indicators for the objective of ‘bringing the maximum number of students to skills levels expected at the end of schooling and the obtaining of the corresponding diplomas’, which was laid out in the budgetary reform known as the LOLF (organic law on finance laws). Students exiting a full upper secondary programme without obtaining the *baccalauréat*, or taking the final year of a CAP or BEP programme without obtaining the certificate, are not graduates of upper secondary education but they are not ‘without qualifications’ according to the French definition. In 2005, young people ‘without qualifications’ represented 6 percent of the 20-24 age group and 39 percent of young people without diplomas aged 20-24.

## 2. Effects of broadening the field

The recent shift of field from those ‘without qualifications’ to those ‘without a diploma’ has several consequences. Most of the published studies deal with the group ‘without qualifications’, which is a hindrance for our report. Beyond this problem of information, however, it should be noted that quite often the operators continue to focus their action on those ‘without qualifications’. And it is also necessary to consider the heterogeneousness of the ‘without diplomas’ category. The studies carried out, notably though CEREQ’s ‘Generation’ surveys, demonstrate quite clearly that ‘each step counts’: the difficulties in entering employment are greater for the ‘unqualified’ than those of the others ‘without diplomas’. In this report, we shall often have the occasion to cite findings for the first category without being able to determine the degree to which those ‘without diplomas’, as a whole, are concerned.

## II. PERCENTAGE OF THOSE WITHOUT DIPLOMA

### 1. European comparisons

In order to situate the French findings within the European Union, Eurostat distributes indicators by age group rather than the strict indicator (percentage of 22-year-olds without diplomas), which would be too fragile to estimate because of the size of the samples.

France’s performance within the European Union seems good if we refer to the indicator for the 20-24 age group (16.6% ISCED 0-2 compared to 22.4% in the EU25). But this result is variously distorted across countries because, at age 20, many young people have not yet left initial education and training.

It is therefore preferable to focus on the following age bracket, the 25-29 group (Table 1, second column). But here, the countries making rapid advances on this indicator are disadvantaged because the picture is out of phase. In this age bracket, France ranked thirteenth among the EU25 (in 2005), with 16.5 percent. These outcomes are close to those of Belgium, Germany or The Netherlands. Among the countries with the lowest rates of school-leavers at ISCED 0-2 are, on the one hand, those of Scandinavia (Finland, Sweden, Denmark) and several new members (Slovenia, Slovakia, Czech Republic, Poland), as well as Austria. At the other extreme we find the countries of Southern Europe, where widespread education is more recent (Italy, Spain, Portugal, Malta).

Table 1. Percentage of early school-leavers in the population (ISCED 0-2)

2005	Ages 20-24	Ages 25-29	Ages 30-34
European Union (25 countries)	22.4	20.1	23.3
European Union (15 countries)	25.3	22.5	26.0
Slovenia	9.5	6.7	11.2
Czech Republic	8.8	6.8	5.3
Slovakia	8.2	7.6	6.6
Poland	8.9	7.8	8.3
Finland	16.6	9.9	11.3
Sweden	12.1	10.4	8.5
Austria	14.1	11.1	13.7
Denmark	22.8	14.2	11.2
Hungary	16.6	14.4	15.7
Estonia	17.4	14.6	10.6
Ireland	13.7	15.5	21.1
Germany	28.5	16.2	15.4
France	16.6	16.5	20.3
Belgium	18.2	16.7	21.3
Lithuania	12.2	17.2	9.5
The Netherlands	24.0	17.3	19.4
United Kingdom	22.1	19.0	24.2
Cyprus	19.6	19.3	19.4
Greece	15.9	20.2	25.3
Luxembourg	29.0	21.1	25.6
Latvia	20.1	23.8	14.7
Bulgaria	23.5	24.2	21.1
Romania	24.0	25.1	15.9
Italy	26.4	30.5	36.5
Spain	38.2	33.9	39.0
Portugal	51.0	51.6	62.8
Malta	46.4	54.9	61.7

*Note:* The countries are ranked in increasing order of the proportion of those without diplomas between ages 25 and 29.

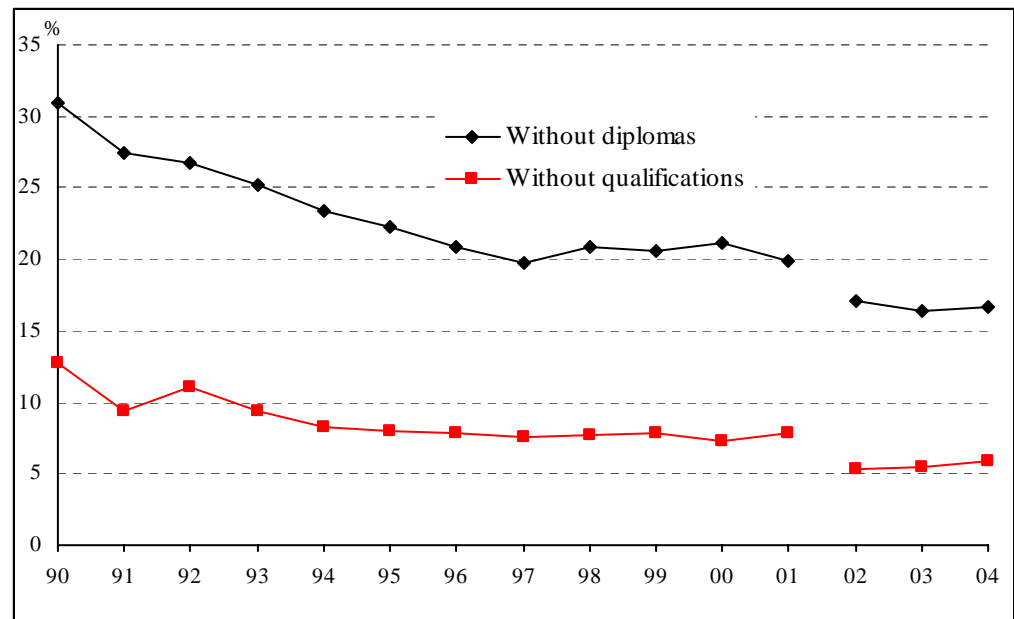
*Source:* Eurostat, LFS.

## 2. Trends in France

The proportion of young people leaving school without qualifications decreased sharply until the beginning of the 1990s, owing to the phenomenon of mass secondary education which got underway in the 1960s, the prolongation of compulsory schooling to age 16 and less stringent conditions for passing from one year to another. Young people without qualifications represented 35 percent of those exiting in 1965, 22 percent in 1975, 15 percent in 1985 and 8 percent in 1995.

According to the Ministry of Education's academic datasets, the decrease has continued in recent years, reaching 6 percent in 2005 (Léger, 2008). The Labour Force Survey, however, indicates a levelling off since 1994, and even a slight increase of exits without qualifications since 2002. Over the past decade, the percentage of those exiting without an upper secondary diploma does not seem to have decreased either (Fig. 1).

Figure 1. Percentages of those without diplomas and without qualifications among those exiting initial education and training



Note: There is an interruption in the series in 2002 owing to the new quarterly Labour Force Survey. According to INSEE, this survey provides a better estimate of the school-leavers' level of studies, which is slightly lower than with the old survey.

Source: INSEE-DEPP, Bilans Formation Emploi.

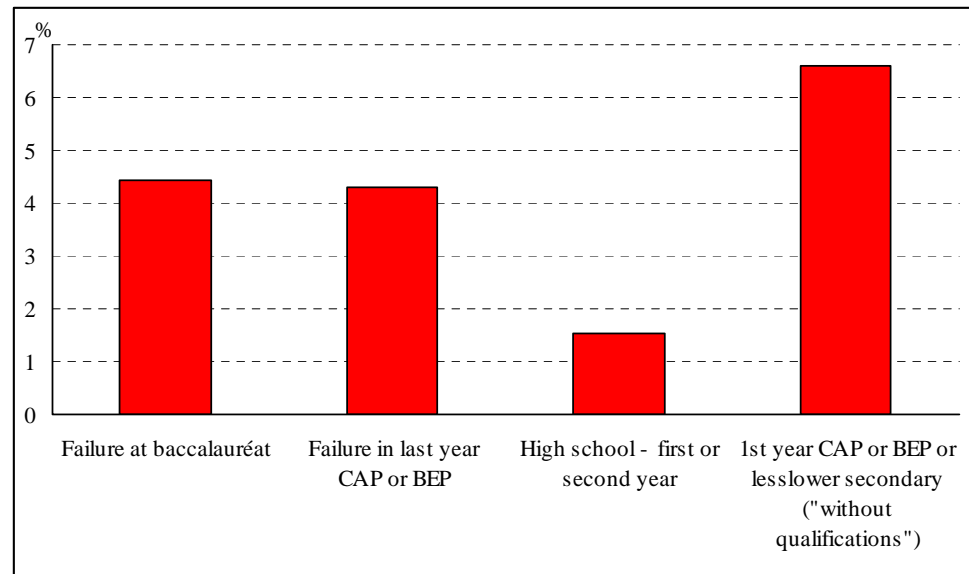
The problem is all the more serious because the situation of early school-leavers on the labour market has worsened considerably. The unemployment rate of those exiting initial training less than five years earlier went from 18 percent in 1978 to 41 percent in 2005, while that of the total number of those exiting less than five years earlier went from 12 to 19 percent (source: INSEE, Labour Force Surveys).

### 3. Level of studies at the time of school-leaving

The conventional distinction 'with or without qualifications' is not the only one we can make among young people without diplomas. Some of them have left the educational system in middle school, others have gone to high school or entered a training programme for the CAP or BEP. Some have left in the final year, others earlier. Overall, only four out of six have the lower secondary certificate (*brevet des collèges*).

A considerable share of those without diplomas are not 'drop-outs' properly speaking (Glasman, 2004). Many completed a cycle without obtaining the diploma and since they were over the compulsory school age, did not register the following year. Those exiting after the final year of a CAP or BEP programme are nearly twice as numerous as those leaving at the end of the first year. But even those who did not go to the end of a given cycle have often extended their schooling beyond the legal age.

Figure 2. **Level of studies of young people without diplomas in 2005**  
(% of the population aged 20-24)



Key: 1.5% of young people aged 20-24 in 2005 ended their studies in the first or second year of the general or technical upper secondary programme.

Source: DEPP, 2007.

In 1998, out of the 120,000 young people leaving the school system without reaching the final year of the second cycle, 90 percent completed their initial education and training between ages 17 and 20 (Sauvageot et al., 2005). Even for those leaving with the lowest instruction level, the abandoning of studies occurs at the end of five years of secondary schooling on the average (Caille, 2000). Given the fact that they are often behind their age group at the beginning of lower secondary, few of them leave at the end of compulsory schooling. The exits after two or three years of lower secondary concern only one student out of ten at level VI or V bis. Thus, even for these young people with major academic problems, the priority is not leaving school as soon as possible.

### *Predominance of young men*

The population of early school-leavers is predominantly male. In 2005, in the population aged 20-24, 20 percent of the men were without diplomas, while this was the case for only 15 percent of the women (source: Eurostat). Caille (2000) explains that this disparity is above all the result of differences in level at elementary school, where the girls do considerably better than the boys. This phenomenon is found everywhere in Europe, with varying differences across countries. On the average, the percentage of early school-leavers is six points higher in the male population; the gap is even more than ten points in the countries of Southern Europe (Spain, Portugal, Greece) and The Netherlands (Rosenwald, 2008).

### *Regional level*

The Ministry of Education's Department of evaluation, forecasting and performance (DEPP) estimates the educational achievement of students by calculating exit rates by training level reached (according to the French classification). In 2002, the percentage of exits without qualifications was particularly high in the French overseas departments, Corsica and the Picardy region (more than 10% of the exits from initial education and training). More generally, the percentage is relatively high in the regions of the north of France

(Nord-Pas-de-Calais, Haute-Normandie, Basse-Normandie, Champagne-Ardennes) and in the southeast (Provence-Alpes-Côte-d'Azur). Conversely, the rates of exits without qualifications are particularly low in the Midi-Pyrénées, Brittany and Pays de la Loire regions (under 5%) (DEPP, 2005).

The DEPP foregrounds regional training provision as the factor explaining differences between education authorities. It considers that 'vocational instruction with apprentice status, combined with that provided in schools, seems a little more successful in bringing the young people to CAP or BEP level and reducing exits without qualifications' (Léger, 2006).

### III. THE GRADUAL CONSTRUCTION OF FAILURE

Academic difficulties appear very early: differences among young children because of their families' socio-economic conditions emerge as of their first year of primary school. And the phenomenon is cumulative: the gaps between young students keep growing throughout their schooling. The educational system does not manage to reduce them, and worse, its approach (e.g., the importance given to ranking in the evaluation processes, and solely in terms of verbal-conceptual intelligence) and the behaviours of the actors (e.g., in guidance and counselling procedures) reinforce the influence of socio-economic factors more than they reduce them.

The PISA surveys are revealing in this respect, because the emphasis placed on acquiring knowledge rather than developing skills leads to the fact that students generally have difficulty adapting their knowledge to new situations: the average French student 'suffers not from a lack of knowledge but an inability to reinvest his or her knowledge and skills elsewhere' (Joutard, 2006). The same author indicates that young French students are among those with the least confidence in their abilities: 'When we consider how much self-esteem counts in achievement, we can measure the gravity of this observation.'

The educational pathways of young people leaving school 'without qualifications' may be analysed with the different student panel surveys (see box).

### Student panels of the French Ministry of Education

Student panel surveys set up at the beginning of lower secondary permit the observation of their pathways throughout initial education and training (including secondary and higher education and training).

The information collected at the time the sample is recruited provides data on family background and permits the reconstitution of primary and pre-primary schooling.

The students' trajectories in secondary education, as well as exam results, are observed in real time.

The students' academic performances are measured through the scores achieved in the nation-wide evaluation tests in the first year of lower secondary and grades for certain examinations (for the lower secondary *brevet* or upper secondary *baccalauréat*).

#### The 1989 panel

The 1989 panel is composed of an age cohort of nearly 27,000 secondary-level students followed since September 1989. The sample was established by selecting all the students born on the fifth day of the month who were at that date in the first year of lower secondary education or a special education section (SES-SEGPA) in a public or private middle school in metropolitan France or an overseas department.

The school principal records the exit from the education system. This generally takes place during the school year following that of the student's departure.

*The students from the 1989 panel were around 30 years old in 2008.*

#### The 1995 panel

The 1995 panel is composed of an age cohort of 17,830 secondary-level students followed since September 1995. The sample includes all children born on the seventeenth day of a month who were, at that date, in the first year of lower secondary or SEGPA in a public or private middle school in metropolitan France. In order to obtain a survey rate of 1/40th, students born in March, July and October were not included.

All the families with children in the 1995 panel were the subject of a survey carried out during the third year of observation, from May to July 1998. This survey was aimed at obtaining specific data about the young person's past and family background and collect information on the forms of the parents' involvement in monitoring the student's schooling and their expectations about education and training.

*The students from the 1995 panel were 24-25 years old in 2008.*

In order to extend certain results to the field of young people 'without diplomas', the CERC has used the 2003 Vocational Training and Qualifications Survey.



### The Vocational Training and Qualification Survey (FQP)

The surveys on vocational training and qualification (FQP) carried out by INSEE constitute one of the main sources of information on professional and social mobility and relations between initial and vocational education and training, employment and wages. The field includes all individuals aged 18-65 at the time of the survey (i.e., those born between 1938 and 1985 for the 2003 FQP survey) who were members of ordinary households and living in metropolitan France.

The survey is intended to give a detailed view of the educational pathway of the persons queried and their occupation, in order to assess the match between training and employment. This comparison requires a large sample so as to include every relevant group of occupations and diplomas. A target sample of 40,000 persons replying to the survey was chosen so as to ensure a good representation of the most relevant social groups, namely those without diplomas, the self-employed and so on.

In spite of the large size of the sample, however, young people without diplomas constitute a small sub-population, even for a relatively large age group. In order to guarantee the statistical significance of the findings, we have included in our field all young people without diplomas (exiting initial education and training) aged 18-29 on 31 December 2003. The resulting sample is comprised of 1,287 persons.

Given the number of young people in this age group pursuing higher education, the percentage of young people without diplomas at the end of initial education and training in this population is naturally higher than that of young people without diplomas among those leaving initial education and training in a given year (an average of 25 and 17%, respectively, for those exiting between 2002 and 2004).

#### 1. The pathway before lower secondary (middle school)

In 2003, nearly half the young people aged 18-29 exiting initial education and training without a diploma had repeated a year at least once in elementary school (source: FQP, 2003, CERC calculations).

In the 1989 panel, four out of ten young people exiting without qualifications had repeated the first year of primary school (Caille, 2000). At the beginning of lower secondary, more than three out of four had already repeated a year at least once; three out of ten had repeated twice.

In the 1990s, repeating in primary school became less frequent. On the basis of its 'Generation 2004' survey (see insert), CEREQ estimates that only 5 percent of young people exiting without qualifications in 2004 were two or more years behind their age group when they entered lower secondary.<sup>3</sup> Young people without diplomas who reached the final year of high school are distinguished from the others by a much lower percentage of students far behind their age group at the beginning of lower secondary: only 1 percent were two or more years behind at that time.

<sup>3</sup>. Part of the disparity with the panel data may be due to the declarative nature of the data collected in the 'Generation 2004' survey. It is possible that the number of repetitions in primary school has been under-declared (although this cannot explain the totality of the sharp decrease observed).

### The 'Generation 2004' survey

In spring 2007, CEREQ queried 65,000 young people among the 705,000 exiting initial education and training for the first time in 2004 for its 'Generation 2004' survey. Among them, 35,000 individuals who exited at all education and training levels constitute the 'national' sample, while 30,000 others were queried during the survey in the context of specific requests from French administrative regions and ministries.

In order to carry out this survey, CEREQ constituted a base of more than 1.2 million individuals presumed to have exited the education system in 2004; this was accomplished in collaboration with all the local education authorities and public universities, as well as training establishments not depending on the Ministry of Education (apprentice training centres, agricultural high schools, higher education schools, etc.)

The 'Generation 2004' survey succeeds the 'Generation 1992' survey carried out with 27,000 young people exiting initial education and training in 1992, 'Generation 1998', conducted with 55,000 young people ending their studies in 1998 and 'Generation 2001', involving 25,000 young people exiting initial education and training in 2001. Its objective is the same: analysing the first years of the young people's working life. As with the 'Generation 1998' survey, re-interrogations of the national sample will permit the young people's transition pathway to be followed over at least seven years.

In spite of repeated years, the bases of elementary-school education are not assimilated: two-thirds of the students exiting without qualifications were, at the time of their arrival at middle school, among the weakest quartile in both French and mathematics. In their study on the educational trajectories of 'poor' students, Davailon and Nauze-Fichet (2004) speak of the 'predominant weight of the period before entry into middle school in the differentiation process of educational pathways.'

## 2. Pathway after entry into lower secondary (middle school)

Coudrin (2006) considers that out of all the individual characteristics, it is the attainment level at the time of entry into middle school which most influences the chances of success. Young people in the lower quartile rather than the higher one thus see their risk of exiting without qualifications go from 2 to 24 percent.

Although the difficulties of students exiting without qualifications are massive well before entering middle school, more than half do not repeat the first year. On the other hand, before the elimination of the so-called 'programme selection' (*palier d'orientation*) at that level in 1995, the second year constituted an obstacle for the majority of them: two out of three never reached the general third-year class (Caille, 2000).

The rates of early school-leaving depend greatly on the courses of study chosen during the lower cycle of secondary education. Students sent to special education programmes (vocational education, workshop, SES-SEGPA) have particularly bleak academic prospects. More than one out of two exits without qualifications. Glasman (2003) explains that because of the reluctance it generates among students and parents alike, streaming towards SEGPA may lead to a gradual abandonment of school. In all, 10 percent of early school-leavers have gone through a special education programme as compared to only 1.5 percent of graduates (sources: FQP survey, 2003, CERC calculations).

With all other things being equal, Caille (2000) measures the influence of the pathway after entry into middle school. He considers that the risk of exiting

without qualifications diminishes greatly when the student has been directed towards vocational education or apprenticeship. Conversely, it increases when the student has been kept in a purely academic setting and goes into a third year technical or adjusted section or a final year work-entry section, or in a special education section for students with the most problems (e.g., SEGPA former SES, CPPN or CPA).<sup>4</sup> Among students with equivalent family and academic situations, moreover, those who repeat show the same risk of abandoning school as those who have left the general section of middle school (Caille, 2000).

#### IV. SOURCES OF FAILURE AT SCHOOL

Without overlooking individual factors at work in failure at school, such as intellectual capabilities, personal responsibility or ability to bounce back, it is necessary to emphasise above all the determinants of family and social background as well as the responsibilities of the educational system. On the average, the educational system is not able to compensate for the environmental handicaps; on the contrary, it tends to reinforce them.

##### 1. Social and family background

The risk of early school-leaving is sharply influenced by the family's socio-economic conditions and the parents' educational capital. The CERC's two reports on *Child poverty in France* (CERC, 2004) and *Education and redistribution* (CERC, 2003) have already highlighted this phenomenon.

The factors leading to these exits without diplomas are numerous and highly interrelated. On the one hand, there is the family's standard of living, with its consequences on the material conditions in which the child pursues his or her studies (notably overcrowded housing which means that the child does not have a calm place for schoolwork) and access to activities outside of school, be they recreational or extracurricular. The 'choice' of the place of residence, which is also conditioned by the family's standard of living, obeys a mechanism of territorial segregation which exposes children from disadvantaged families to a neighbourhood which is itself hit by poverty, unemployment and school failure. And the quality of the neighbourhood affects not only the young peoples' educational attainment but also their decision to remain in school (Maurin, 2004). Thus, at age 17, exits without diplomas seem closely correlated to the family's standard of living.

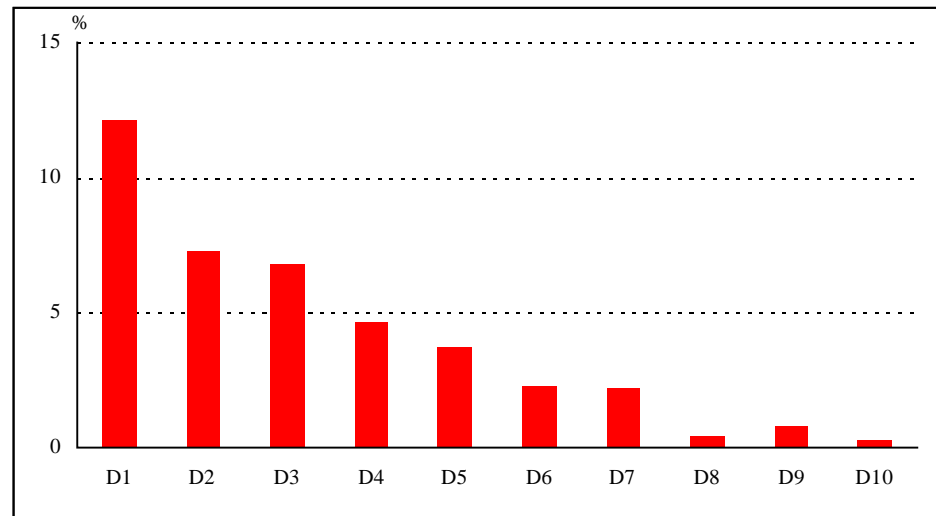
But factors influencing the standard of living are also directly involved. The fact that the parents are unemployed weighs on the material conditions in which the child develops, but also on his or her self-esteem and vision of the future and thus contributes to failure at school.

Poulet-Coulibando (2000) estimates that 25 percent of young people 'without qualifications' live in a family without employment, compared to 13 percent of those at CAP or BEP level, 7 percent of those exiting at *baccalauréat* level and less than 1 percent of higher-education graduates.

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<sup>4</sup>. CPPN=pre-vocational classes by level; CPA= preparatory classes for apprenticeship. Caille's study was conducted on the basis of a panel of students entering middle school in 1989 and programmes existing at that time. These young people were roughly 30 years old in 2008.

Figure 3. Exits without diplomas at age 17 in function of living-standard decile



*Field:* Excluding student households, declared income positive or zero, disposable income positive. Children born in 1982 were 17 years old at the beginning of the 1999-2000 school year.

*Sources:* INSEE-DGI, Taxable Income Surveys, 1999, 2000, CERC calculations (2004).

It is frequent that the mothers of those without diplomas have no declared occupation. At the end of the young peoples' schooling, the mothers of those without diplomas are much less often in employment than those of the graduates (46% versus 66%). And in seven cases out of ten, the fathers of young people without diplomas are blue- or white-collar office workers (*sources:* FQP survey 2003, CERC calculations).

The parents' educational capital, notably the mother's level of schooling, can limit the possibilities of helping their children, as well as reducing their academic ambitions. 'All other things being equal', the mother's lack of a diploma is the primary factor increasing the risk of exiting without qualifications (Poulet-Coulibando, 2000). More than one out of two young people exiting without qualifications has a mother with no diploma. And nearly one out of three belongs to a family where neither parent has a diploma.

The family structures themselves also exert an influence apparently independent of their consequences on living standard: lone-parent families and large families show higher rates of early school-leaving. In particular, 44 percent of young people without diplomas come from families with at least four children. In one out of two cases, the brother or sister of a young person without a diploma is in the same situation (*source:* FQP survey 2003, CERC calculations). This phenomenon may be related in particular to the time one or both parents spend with the children.

According to the DEPP (Coudrin, 2006), between the panel of those entering lower secondary in 1989 and that of the 1995 entrants, the social disparities of academic achievement remained stable overall but the trends observed suggest that the inequality of opportunities is on the rise.

**Over-  
representation of  
children from  
immigrant families**

The children of immigrants are overrepresented not only among modest backgrounds but also in the population without diplomas. According to the ‘Generation 2004’ survey, 18 percent of young people exiting without a diploma have a father born outside of Europe. The proportion reaches 21 percent for young people exiting without qualifications but falls to 12 percent for those reaching the final year of secondary education.

On the basis of the 2003 FQP survey, it is estimated that French is only the native language for four out of five young people without diplomas, while this is the case for more than nine out of ten among graduates. In spite of the difficulties related to learning the language, many studies, notably those of Caille (2000, 2005a) and Poulet-Coulibando (2000), show that immigration in itself is not a factor of failure. Rather, the risk of failure is to be attributed to the accompanying social conditions. It is rare for immigrant mothers to have a diploma. The inequality of risk depends heavily on differences in family situation and learning levels at the time of entering middle school. Caille (2000) feels that with a comparable degree of difficulties in French and mathematics, the disparity in risks disappears. For Poulet-Coulibando, the share of those without qualifications among early school-leavers from immigrant families is in fact less than what their social environment might lead us to expect.

**Parental  
assistance and  
expectations**

Failure at school often assumes an ‘intergenerational’ aspect. The parents have also been faced with serious educational difficulties, with the result that the entire family finds itself at odds with the school system. Lacking the necessary level themselves, the parents cannot help the children with their schooling. Their involvement in monitoring the studies is limited. Just over half of these students benefit from family help with their homework. Participation in parent-teacher meetings at the beginning of the school year is low. And in spite of the students’ problems at school, requests to meet with teachers remain rare.

The families’ expectations with regard to the school are more limited. From the beginning of middle school, academic ambitions are low. Less than one parent out of two wants his or her child to continue studies to the age of 20. Above all, *with comparable grades*, children of blue- and white-collar workers request less ambitious programmes of study than those of managers (Caille, 2005b).

The value accorded to studies in each family is largely influenced by its social group. Only 25 percent of the parents of those exiting without qualifications think that a higher-education diploma is the best asset for finding a job, while 35 percent are more convinced of the usefulness of a CAP or BEP (Chausseron, 2000).<sup>5</sup> Academic problems and family problems can go hand in hand, moreover; thus, Dubreuil et al. (2005) note that the latter are one of the main causes behind the risk of abandoning studies in middle school, while problems in choosing a course of study are determinant in vocational high school.

Without support from the family, returning to school is difficult. Parents who have little knowledge of the school system, often coming from a disadvantaged social group and/or foreign background, do not have solutions for their child’s

<sup>5</sup>. These findings are drawn from the Family Survey carried out in the second year follow-up of the 1989 panel.

problems with his or her course of study. Only those who have relational resources, networks, can find back-up solutions.

## 2. The educational system and failure at school

While the impact of the family and the socio-economic environment is a major determinant of failure at school, the educational system, through the way it functions and sometimes the very behaviour of the teachers, contributes to it as well.

### *Reasons for interrupting studies*

On the basis of the Generation 1998 survey, Gasquet and Roux (2006) indicate lack of interest as an official reason for interrupting studies. Afterwards, the young people explain their exit from school by the fact of obtaining a job or the existence of financial constraints (26 and 20%, respectively), percentages which are identical to those observed among graduates. On the other hand, twice as many young people without diplomas as higher-education graduates declare that they interrupted their studies because of a rejection in a higher-education programme (11%) and conversely, three times fewer invoke the fact of reaching the desired level.

On the basis of the Integration Surveys of the panel of students entering lower secondary education in 1989, Chausseron (2000) (cf. Table 2) cites the need to work as the main reason put forth by the young people to explain their early interruption of studies (37% give this explanation).<sup>6</sup> The other two reasons invoked reflect the inadequacies of the school with regard to the young people: either they feel that school can no longer give them anything (23%) or that the course of study proposed to them does not satisfy their wishes (19%).

The hierarchy of reasons is different for young women and young men. After the need to work, the young men explain their exit by the fact that the school system had nothing more to give them, while for the young women, the second most frequent reason is an unsuitable course of study.

Table 2. **Students' main reasons for the interruption of their studies**

For what reasons did you interrupt your studies?	in %			Total
	Yes	No	No answer	
You felt you had reached a sufficient level	13.5	74.4	12.1	100
The proposed course of study was not to your liking	18.6	69.3	12.1	100
You needed to work immediately in order to earn a living	37.4	50.5	12.1	100
You wanted to interrupt your studies temporarily and resume them later on	12.0	75.9	12.1	100
You felt that the school system had nothing more to offer you	23.3	64.6	12.1	100

*Field:* Students from the 1989 panel leaving the educational system after a maximum of six years of secondary studies.

*Sources:* Integration Survey from the panel survey, the Ministry of Education's Department of programming and development, Chausseron (2000).

<sup>6</sup> This study bears on the students of the 1989 panel exiting the education system after a maximum of six years of secondary studies. The field thus does not exclude those holding a CAP or BEP. Even when the field is limited to students without a diploma, however, the hierarchy of reasons invoked remains the same.

*Leaving 'with nothing'*

One of the particular features of the French school system is, until now, its all or nothing approach. On the one hand, students go from one year to another on the basis of obtaining an average grade; if the failure to master a subject does not affect the transition to the next stage, students run a risk of giving up. If they repeat the year, they have to go over the subjects already mastered, in an identical way, and with the feeling of wasting their time. On the other hand, a student who does not obtain a diploma cannot prove the knowledge/skills which have nonetheless been acquired in certain fields.

In other countries, practices are quite different. In Finland, for example, repeating the year is practically inexistent, but the student receives specific assistance where his or her skills have been judged insufficient. At the end of compulsory schooling, moreover, there is no diploma but rather, a detailed certificate indicating the skills acquired (as well as those not mastered, if the student's academic performance has not been completely satisfactory). And to obtain a diploma at the end of secondary education, the student can take the different exams over a two-year period (i.e., three sessions). These modular arrangements allow young people to present more detailed CVs when they apply for jobs and also to obtain certification of qualifications more easily through and in continuing education and training.

France is moving slightly in this direction with the establishment of a basic programme of knowledge and skills but without going far enough: nothing is said about the 'approval' of the acquisition (or non-acquisition) of this base or the creation of an independent certification of the diploma.<sup>7</sup>

Also worthy of further discussion is the allocation of means among the different levels. If the early years are decisive in failure or success, is France's allocation the good one?

Relative to the Scandinavian countries, which, as we have seen, are some of the most efficient in the fight against school failure (as well as in terms of average outcomes, according to the PISA surveys), France places many teachers in the high school and too few before (primary and middle school).

Table 3. **Student-teacher ratio**

	Denmark	France	Finland	Sweden
Overall	11.4	14.3	14.3	12.7
Primary ISCED 1	10.8	19.4	16.6	12.3
Lower secondary ISCED 2	10.8	13.8	9.8	12.1
Upper secondary ISCED 3	13.4	10.7	15.9	14.1

*Note:* ISCED = the International Standard Classification of Education designed by UNESCO.  
*Source:* Eurostat.

<sup>7</sup>. Some elements of the basic programme of knowledge and skills have now been taken into account (as of the 2008 session) for the national *brevet* certification: the Computer and Internet *brevet* (B2i) and level A2 of the Common European Framework of Reference (CEFR) in a modern foreign language.

More specifically, not enough means are allocated to identifying students with problems and remedying them.

It is possible that reducing class size has a positive effect when it is carried out on a fairly significant scale, as shown by recent French studies or experiments carried out in the United States (Piketty and Valdenaire, 2006). But it is also possible that a very intense, temporary action allowing students with problems to catch up with the others is more effective than a uniform effort. In any case, this is the approach of our Finnish neighbours (see Appendix 1 on Finland). On the other hand, grouping students who are disadvantaged and having difficulties in school together in a single class hardly serves to improve their future outcomes (quite the contrary). And it is also known that simply making students repeat the year has little effect (Caille and Rosenwald, 2006). To cite the example of Finland, once again, when a student has difficulties acquiring the minimum level of requisite skills in one field, he or she receives individual attention from a teacher for this subject but continues the rest of the programme with his or her class.

We might also question the abrupt break between primary school, where children are closely supervised and practically depend on a single adult, and middle school, where they are suddenly called upon to be much more independent and find themselves surrounded by a dozen adults who only supervise them for a few hours. A report on priority education (Armand and Gille, 2006) thus indicates that this situation is all the more destabilising if the pre-teenager cannot count on support from his or her family because the family itself does not master the institutional codes. By contrast, the Finns, here too, maintain that the single school for the whole of compulsory education is one, if not the main, factor in their success, permitting a better knowledge and follow-up of the students as well as a gradual acquisition of independence.

### *The course of study*

Exits without diplomas do not always take the form of dropping out during the school year. Some students stop because they are not taken back by their former school or because their request for a course of study is refused. At the beginning of each school year, for lack of places, there are students who are not assigned to the programme or school they requested and as a result, they find themselves outside the system. While most of them wind up being assigned somewhere (or obtaining a course of study other than the one they have chosen) by the national education system, this is not the case for everyone (Bonnéry, 2003).

When the course of study determined at the end of the first year of upper secondary is 'imposed' or chosen 'by default', it can cause a lack of motivation which becomes a powerful factor in school leaving. In vocational high school, the choice or possibility of a given course of study largely determines future success or failure. The lack of interest for the programme followed and the absence of a career plan are the most frequent causes of abandoning studies.

While mechanisms of counselling and programme selection play a considerable role in educational inequalities (Duru-Bellat, 2002), the very behaviour of the teaching profession tends to reinforce the negative effects of the social determinants. At the end of the last year of lower secondary, for example, the families' wishes are socially differentiated, and, at a given academic level, programme selection penalises the students from modest families. With an average grade of 9 to 12 (pass/fail level = 10) in coursework for the first year of upper secondary, nearly all the children of managers request the general



programme for the next year, compared to only two-thirds of workers' children (Peretti, 2004). In both cases, however, 80 percent of these choices are approved by the class council which decides on the students' future course of study.

Without pretending to have covered all the causes of school failure here, we would highlight the following elements. A young person leaving initial education and training without a diploma is most often someone who has undergone a progressive, lasting under-investment in human and social capital, an underinvestment weighing on his or her very dynamism and which will weigh on the possibilities of entering working life and society at large. This situation is all the more serious because, as Baudelot and Establet (2007) state, 'Today, it is in terms of training and formal qualifications that the bulk of an individual's value is measured at the decisive moment when he or she seeks to find a place in society'.



France is one of the countries in Europe where the diploma plays the most important role in access to employment (I). Without a diploma, labour-market entrants are more vulnerable to unemployment, especially in an unfavourable economic situation.

That said, not all early young people without diplomas find themselves in difficulty. The earlier they have abandoned their studies, the greater the problems they face in entering employment. And while their situation improves over time, the effects of the lack of a diploma continue to be felt for many years (II).

The jobs these young people find are nearly always in small companies, and often low skilled. Their employment profiles include more temporary work; this form of recruitment can ultimately lead to stable employment but certain pathways remain marked by precarious employment. Assistance schemes for the employment of young people play a particularly important role for those without diplomas (III).

Young people without diplomas are the main beneficiaries of training outside of employment. Their recourse to alternating training, and especially apprenticeship, is just above the average.

On the other hand, they receive in-company training three times less often than the average of their age cohort of school-leavers. Even six years after their failure at school, their attitude towards training leading to qualification remains lukewarm, depending on their career plans and the beginning of their transition pathway (IV).

## I. UNEMPLOYMENT AND DIPLOMAS

A diploma offers protection against unemployment in the initial phase of labour-market entry.

### 1. European comparison

When we compare the activity status of young people across Europe, certain institutional features must be taken into account.

- European education systems remain quite varied: there is a single middle school for everyone in some countries (Denmark, Ireland, Finland), while others practice an early streaming process (Germany, Austria). Initial vocational education and training does not have the same weight everywhere and assumes different forms of organisation (the dual system in Germany, Austria and Denmark; school-based vocational training alone in Sweden; predominantly school-based vocational training with a parallel apprenticeship programme for The Netherlands and France). In addition, the degree to which higher education is structured to permit students to work in parallel also varies across countries.

- The scope of active employment assistance policies for young people is not the same everywhere.

- The forms of linkage between initial education and training and the world of work also differ across countries (Müller and Gangl, 2003; Lefresne, 2003; Verdier, 2001).

As a result, a simple comparison of unemployment rates is difficult to interpret (European Commission, *Employment in Europe*, 2007). In countries where alternating training is a widespread form of initial education and training, young people in training courses, who are by definition in employment but counted

among those with low education and training levels (ISCED 0-2), contribute to lowering the unemployment rate for these levels.

However, as the European Commission indicates, 'Establishing early links between education and the labour market is essential to familiarise young people with the world of work' (European Commission, Communication on Youth, 4 September 2007). In France, labour-market outcomes combining training and work, whether organised within the context of apprenticeship or alternating training, or not organised, are infrequent (CERC, 2006). French young people thus have less work experience at the end of their studies than some of their neighbours (in Germany, the UK, Denmark or The Netherlands).

In addition, young people facing difficulties in entering employment may become discouraged and withdraw from the job market. This is why the OECD and European Commission base their comparative studies on the percentage of young people neither in employment nor in training, or other words, the total number of unemployed and inactive persons who are not in training (Quintini, Martin and Martin, 2007; European Commission, *Employment in Europe*, 2007).

Comparing the labour-market outcomes of young people by diploma, in France and several other European countries, brings out certain features specific to the French case:

In France, young people without diplomas (ISCED 0-2) are particularly hard hit by lack of employment.

For young people without diplomas aged 25-29, the unemployment rate is 1.9 times that of the age group as a whole and the percentage of joblessness (unemployed or inactive) is 1.7 times that of the age group.<sup>1</sup> This higher unemployment rate among young people at ISCED 0-2 is found in all age groups but diminishes with age, and it is not possible to determine whether this is due to an effect of seniority or generation.

These findings also occur in many other European countries, including Germany, with an unemployment rate 2.3 times greater and a jobless rate 1.7 times greater, Sweden (1.9 and 1.6, respectively), in Ireland (2.9 and 2.1), The Netherlands (1.9 and 1.9), the UK (3.5 and 2.7), Denmark (2.1 and 1.8), Finland (2.1 and 1.8), Italy (2 and 1.1) and, to a lesser degree, Spain (1.4 and 0.9).<sup>2</sup> In a very few countries, the unemployment or non-employment of those at ISCED 0-2 is slightly lower than that of the entire age group, as in the case of Portugal (0.9 and 0.9).

If, very broadly speaking, young people without diplomas have relatively more difficulty integrating employment than their peers with diplomas, the problem of their unemployment is also quantitatively greater because of the proportion they occupy in their age group. Thus, the labour market sanctions school failure in more or less the same way in France, Sweden or Finland, but the proportion of young people at ISCED 0-2 is much higher here in France (18.2%) than in Sweden

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<sup>1</sup>. Source: Eurostat, Specific exploitation of 2004 Labour Force Surveys for the CERC.

<sup>2</sup>. In the case of the UK, the problem of classifying training levels (cf. Chapter A.I.1 above) seems to lead to reducing the percentage of young people without diplomas, which, conversely, increases the extent of their higher unemployment rate within their age group. It is also necessary to note the considerable percentage of young people at ISCED 0-2 who are inactive, including males.

(8.7%) or Finland (9.7%). And another factor affecting the extent of unemployment among young people at ISCED 0-2 is the general unemployment rate.

Table 1. **Increased risk of unemployment among young people at ISCED 0-2**

	in %		
	France	Sweden	Finland
. Higher unemployment rate of those at ISCED 0-2 aged 25-29	1.9	1.9	2.1
. Share of those at ISCED 0-2 in 25-29 age group	18.2	8.7	9.7
. Unemployment rate of 25-29 age group	7.9	5.2	7.4
. Share of those aged 25-29 at ISCED 0-2 in unemployment	17.3	12.4	11.5

Sources: Eurostat, LFS, CERC calculations.

Young people without diplomas in France have little training during employment, compared to other European countries.

When they are in unemployment, young French people without diplomas do not often participate in training courses. At the same training level (ISCED 0-2), unemployed young people in Austria and The Netherlands are more often enrolled in training and this is even more the case among unemployed young people in Sweden (among the 20% who are unemployed, 6% enter training) and Denmark (among the 8% of those at ISCED 0-2 who are unemployed, more than half enter training).

## 2. Labour-market entry in France

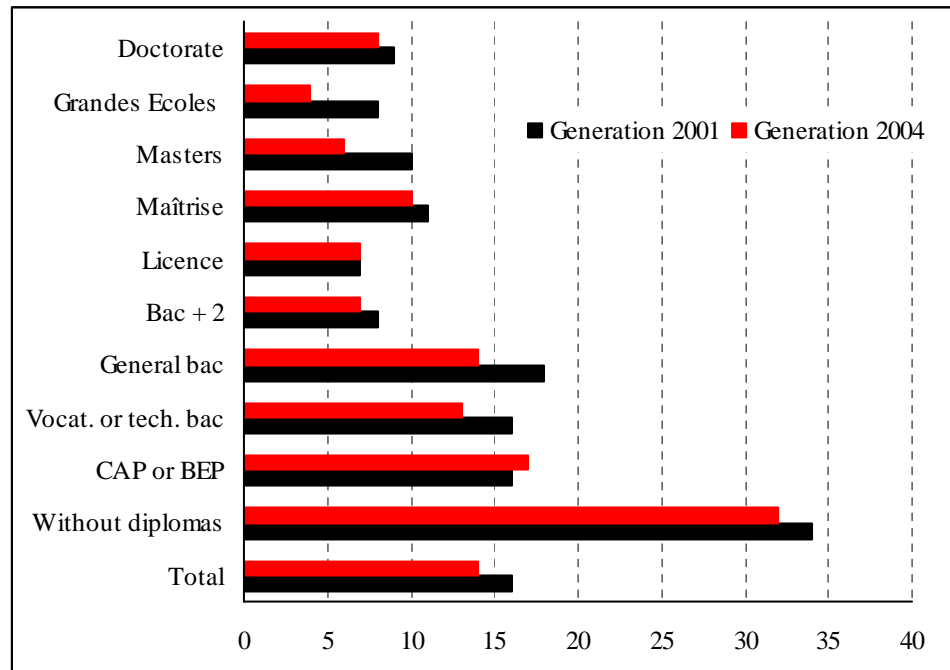
For the majority of young market entrants, even in a bleak period, transition pathways are predominantly marked by employment. During the three years following their exit from school, two-thirds of the young people leaving initial education and training in 2004 were employed for a period of more than eighteen months (Joseph, Lopez and Ryk, 2008).

However, young people leaving the education system in failure face a greater risk of unemployment than their peers (Fig. 1). From this standpoint, those who have neither a *baccalauréat* nor a short vocational diploma are particularly affected (CERC, 2006). In 2007, as in 2004, three years after abandoning their studies, about one-third were unemployed, compared to 16 percent of the entire cohort age exiting school in 2004 and 13 percent of that exiting in 2001 (Fig. 1).

Those without diplomas also suffer more than the others from a sluggish economic situation. Relative to those with diplomas, they were much more exposed to unemployment in 2004 and 2007 than was the case in 2001.

In fact, they are always more hard hit by economic downturns (Fondeur and Minni, 2004, long-term estimates on the basis of INSEE Labour Force Surveys). Roughly speaking, it appears that the diploma, up to *baccalauréat* level, plays chiefly on the risk of unemployment. Afterwards, the level of studies makes a difference above all in the amount of wages received. All in all, even if the return to diplomas has been eroded since the early 1980s, it remains considerable if we consider the probability of unemployment. Viger (2007) estimates that it went from 20 to 10 percent between 1983 and 2002 for the *baccalauréat* level as a whole, relative to the situation of someone without a diploma.

Figure 1. Unemployment rate three years after the end of studies (2004 and 2007)



Source: CEREQ.

Other studies concerning the wage return to studies and access to employment confirm that the phenomenon of mass education has been accompanied by a gain in terms of employment and wage level for the diploma-holders involved (Gurgand and Maurin, 2007; Goux and Nouveau, 2007).

Young people without diplomas are disadvantaged in terms not only of the time spent in employment but also of weekly working time. In 2007, three years after the end of their studies, 25 percent of young women without diplomas and 8 percent of young men held a job with imposed part-time hours, compared to 14 and 4 percent, respectively, for their entire age cohort.

The role the diploma plays in vulnerability to unemployment may be interpreted in two ways (Gautié and Gurgand, 2005). For those who subscribe to the filter theory (Arrow, 1973), the piece of paper only serves to reveal pre-existing abilities and has no value in and of itself. Young people without diplomas who have difficulties entering employment would have just as many if they achieved the formal qualification. And in addition, the diplomas would be downgraded once they became more widespread because they would lose their value as a signal of abilities.

For the others, the diploma has its own value added, whether in general or vocational education and training, and this raises the potential productivity of the young people concerned. It is in itself an asset for access to employment. The studies carried out by Maurin in the French case give credence to this hypothesis: the massive opening up of French secondary education from 1985 to 1995 has not been followed by a parallel downgrading of graduates' outcomes (Maurin, 2007).

Diploma level is not the only factor in access to employment, however. For a given diploma, the field of the instruction and the prior course of study also affect the quality of the transition to work (see below). In particular, apprenticeship is an asset (Bonnal, Clément and Mendès, 2004; Arrighi and Joseph, 2005).

Nor does training explain everything: even after the same programme, outcomes will be quite different in function of social and geographical background, locality (Caro and Martinelli, 2002; Grelet, 2006), gender and so on.

Young people without diplomas, coming mainly from modest backgrounds, often have financial difficulties. This situation leads in turn to more limited geographical mobility (because of the lack of a means of transportation, a driving licence or a personal vehicle), which constitutes an additional handicap for obtaining employment (Bordigoni, 2000).

Because of their disadvantaged social backgrounds, they have fewer possibilities than others for drawing on the social networks useful for job-seeking. But such networks are even more crucial for them than for those with diplomas. Indeed, if the first job is found through the young people's connections a third of the time, this is the case for 44 percent of those without diplomas (Joseph, Lopez and Ryk, 2008). And last of all, young people without diplomas have less recourse to unsolicited applications, which are an especially significant means of access to employment in France (Bessy, Marchal and Rieucan, 2007).

However, not all young people without diplomas face lasting transition problems. Among those exiting school in 1998, 26 percent attained a permanent work contract (CDI) in three years (and 40% in five years), compared to 44 and 65 percent, respectively, of the entire age cohort. Furthermore, certain graduates (in particular, those with the CAP or BEP in the service sector, who must compete with *baccalauréat*- and BTS-holders in the same fields for access to employment) face comparable difficulties.

## II. DIVERSITY OF THE PATHWAYS

Young people without diplomas constitute an extremely heterogeneous population, with equally diversified career paths. For those exiting secondary education, the median age at the end of studies varies between 17 years ('early school-leavers') and 19 years (exits without a diploma at CAP-BEP and *baccalauréat* levels), while that of graduates is 22 years.<sup>3</sup>

The course of study has considerable effects on the transition pathway, even for those who do not have a diploma (Gasquet, 2003). A young person who has failed the *baccalauréat* exam has more professional opportunities than someone who has dropped out during middle school. Similarly, the student who has completed a vocational programme without obtaining the piece of paper has more opportunities than the one who has been in the general curriculum.

Thus, in 2007, three years after the end of their studies, 57 percent of young people without diplomas had jobs.<sup>4</sup> The situation of those exiting middle school

<sup>3</sup>. Source: 2006 Labour Force Survey, calculation based on individuals exiting initial education and training within the previous ten years.

<sup>4</sup>. These figures update those of Gasquet (2003) cited above. They were calculated at the CERC's request by Céline Gasquet on the basis of data from CEREQ's Generation 2004 survey.

was the most disturbing: only 37 percent of them were in employment. Among those with one year of short vocational studies, one out of two had a job; for those who had continued into high school or the last year of a CAP or BEP programme, the figure rose to 60 percent. And 65 percent of young people without diplomas who had reached *baccalauréat* level were in employment three years after the end of their studies. In short, each step counts.

Other factors besides schooling also influence the quality of the transition to work. For one thing, it is not the same for young women and young men. Social background and place of birth also have an impact on transition pathways. And geography is also a factor of diversity. In the section which follows, we shall focus on the specific difficulties encountered by young women and those confronting young people from immigrant families.

### 1. Impact of the prior educational pathway

The initial job entry of young people without diplomas varies in function of their prior educational pathway. INSEE's studies on wages commissioned by the CERC show that inequalities in the wages received over one year depend more on the unequal time spent in employment and the share of weekly working time than on inequalities in the hourly wage (CERC, 2006).

In terms of these first two factors, the situation of young people without diplomas is more difficult. The extent of their handicap varies, however, depending on the level attained before abandoning their studies. Thus, those who have reached *baccalauréat* level show little difference from the age cohort as a whole, while the early school-leavers are more penalised.

Half of the young people exiting school in 2001 experienced no unemployment in the first three years of active life. The proportion is the same for those who failed the *baccalauréat* exam, but it raises to 40 percent in the case of other young people without diplomas (Table 3).

Those who exit middle school thus have the most difficulty entering employment (Gasquet, 2003). The trajectory of those who have started a vocational curriculum, even if they do not continue until the final year, is less unfavourable. And once again, each stage counts: things go better (or less badly) for those who reach the last year of a CAP or BEP programme, at least in industrial specialisations, and even more so when the diploma has been obtained.<sup>5</sup>

Early school-leavers are also more vulnerable to long-term unemployment and prolonged inactivity. In addition, rapid access to lasting employment is less frequent for those without diplomas, and especially for early school-leavers.

At equal exit levels, the school-to-work transition is more difficult for those whose request for a given course of study was refused (longer spells of unemployment, less access to stable jobs) than for those who have successfully chosen their programme and specialisation (Berthet and al., 2008). Even if it is necessary to remain cautious on this point, insofar as the correlation between the two phenomena does not prove a causal relationship, a negative experience in

<sup>5</sup> For service specialisations, the BEP offers protection from unemployment in some cases but not in others (Couppié, Gasquet and Lopez, 2004).



choosing a course of study would seem to leave lasting marks.<sup>6</sup> A reform of the present system of career planning, moving towards earlier preparation and individual assistance for the young people and their families, is being tested at this time.

## 2. Young women and children of immigrants

These two groups are disadvantaged. Exits without diplomas mainly involve young men (cf. Chapter A), but once they have completed their studies, they face less serious difficulties than young women. Indeed, these gender disparities are all the more pronounced when the educational level attained is low (Table 2).

Table 2. **Status of market entrants in 2006**

					in %
Gender	Diploma	Unemployed	Employed	Inactive	Total
Females	Diploma holders	12.6	76.7	10.7	100
	Others w/o diplomas	25.1	49.1	25.7	100
	Early school-leavers	37.2	21.7	41.1	100
Total females		15.0	71.4	13.6	100
Males	Diploma holders	12.6	82.3	5.1	100
	Others w/o diplomas	29.6	58.2	12.2	100
	Early school-leavers	36.9	28.7	24.4	100
Total males		16.4	76.2	7.4	100
Total		15.7	73.8	10.5	100

Source: INSEE Labour Force Survey, 2006, young people leaving initial education and training between one and four years earlier.

First of all, young women without diplomas hold a job less often than their male counterparts. (The proportion of unemployed persons in both populations is roughly the same but young women without diplomas are more often inactive. The proportion is 15 percentage points higher for female early school-leavers than male; for the young women who have dropped out of high school or vocational training up to *baccalauréat* level, there is a difference of 9 points, while it is 5 points for those with at least a *baccalauréat*.) Afterwards, even in its full-time equivalent, the average female wage is 5 percent below the average male wage (1,140 euros vs 1,200 euros in 2007) and the jobs they hold are more often imposed part time (see above). The respective career choices (males more inclined to enter apprenticeship, females choosing specialisations leading less often to employment) partially explain these differences.

When they come from immigrant families, young people without diplomas face more problems at the beginning of their careers than those whose parents were born in France (Table 3).

The difficulties specific to these young people feed the sentiment that they face discrimination in hiring. Among early school-leavers, for example, 27 percent of the young women and 31 percent of the young people born abroad feel that they have undergone discrimination, compared to 17 percent of the young men and 15 percent of the young people whose parents were born in France (2004 data).

<sup>6</sup> A more difficult transition may be related to unobserved personal characteristics which also have an impact on the risk of having the choice of programme refused.

Table 3. Integration indicators for young people without diplomas (2001-2004)

in %

Level	Early leaver	CAP-BEP w/o diploma. 2nd. 3 <sup>rd</sup> yr	Failure at <i>baccalauréat</i> exam	w/o diploma. immigrant parents	Entire cohort
<b>Unemployment and inactivity</b>					
. No unemployment	36	38	50		53
. More than one year of unemployment	42	28	18		15
. More than one year of inactivity	14	7	5		4
. Unemployment rate 3 years later	40	31	20		16
<b>Employment and training</b>					
. Share of permanent work contracts (CDI) total 3 years later	47	54	63		67
. Period on subsidised contracts	28	19	15		16
. Resumption of studies	5	3	5		5
. Training outside of employment	27	19	14		12
<b>Trajectory over 3 years</b>					
. Rapid. lasting access to employment	31	48	64	31	68
. Unstable employment	22	25	17	27	15
. Slow exit from unemployment	33	20	11	31	11

Source: CEREQ, Generation 2001 survey, 'When school is over'.

### 3. The diploma's lasting impact

With time, employment becomes increasingly stable, even among those without diplomas (Table 4).

Table 4. Status in 2006 of young people exiting initial education and training five to ten years earlier

in %

Gender	Diploma	Unemployed	Employed	Inactive	Total
Females	Diploma holders	7.3	78.7	14.1	100
	Others without diplomas	14.3	53.9	31.9	100
	Early leavers	23.4	32.0	44.6	100
Total females		8.8	73.9	17.3	100
Males	Diploma holders	6.8	90.3	3.0	100
	Others without diplomas	19.7	73.9	6.4	100
	Early leavers	23.6	63.9	12.4	100
Total males		9.2	86.8	4.0	100
Total		9.0	80.4	10.6	100

Source: INSEE Labour Force Survey, 2006.

Five years after exiting the education system, there are still relatively more early school-leavers out of employment (18% compared to 6% of the entire age cohort, Table 5).

Table 5. Five-year pathway indicators for young people without diplomas (1998-2003)

Level	in %		
	Early school-leavers. CAP or BEP w/o diplomas, second or third year	Failure at bac exam. abandon of studies in last year	Entire cohort
<b>Trajectory over 5 years</b>			
Chronic non-employment	18	6	6
Employment w/o stabilisation	14	12	9
Stabilisation w/o permanent contract	26	25	20
Stabilisation with permanent contract	40	57	65

Source: CEREQ, Generation 1998 survey (Besses and al., 2007).

Seven years after the end of studies (Table 6; CEREQ panel survey 98-2005, 'When the career begins'), the young people without diplomas remain considerably more vulnerable to unemployment (24% unemployment rate compared to 10% for the entire generation). The jobs held are less often under permanent work contracts (68% for the total of those without diplomas and 58% of those with two parents born in North Africa, compared to 81% for the entire generation). Access to continuing training in the company is less frequent. In addition, the young people without diplomas are overrepresented among the 16 percent of young people still living with their parents at that time.

Table 6. Employment indicators for young people without diplomas, seven years afterwards (1998-2005)

Level	in %		
	Early school-leavers	CAP or BEP without diplomas, second or third year	Failure at <i>baccalauréat</i> exam
<b>Situation seven years later</b>			
Unemployment	25	18	10
Share of permanent work contracts	66	75	72
Median wage	1.200 euros net	1.200 euros net	1.250 euros net

Source: CEREQ, Generation 1998, *Alternatives économiques*, 2008.

### III. NATURE OF EMPLOYMENT FOUND

#### 1. Jobs less often classified as skilled

When they are in employment, the early school-leavers begin above all with unskilled blue- or white-collar jobs: this is the case for 63 percent of the young men and 75 percent of the young women (Table 7).

Half of the other young people without diplomas hold this kind of job, while this is the case for less than 20 percent of those with a *baccalauréat* or more.

Table 7. Skills level of jobs held by market entrants in 2006

					in %
Gender	Diploma	Other socio-professional groups	Unskilled blue- and white-collar workers	Skilled blue- and white-collar workers	Total
Females	Diploma holders	51.2	20.3	28.5	100
	Others without diplomas	22.0	45.0	33.0	100
	Early school-leavers	5.3	75.8	18.9	100
Total females		48.8	22.6	28.6	100
Males	Diploma holders	48.8	18.5	32.7	100
	Others without diplomas	11.9	51.7	36.4	100
	Early school-leavers	7.7	63.4	28.9	100
Total males		44.0	23.2	32.9	100
Total		46.3	22.9	30.8	100

Source: INSEE Labour Force Survey, 2006, young people exiting initial education and training between one and four years earlier.

## 2. Nearly always in small companies

On the average, three out of four market entrants with a job are employed by small companies (fewer than ten employees). This is even more the case for those without diplomas. Only 7 percent of early school-leavers with a job are employed in a company of ten or more employees, and 16 percent of those who dropped out of high school or a CAP-BEP programme are in this situation (Table 8).

With a little more experience (5-10 years), the young people are slightly more present in companies with ten or more employees (29 rather than 25%), and the situation of those without diplomas approaches that of the average for other young people (15% of early school-leavers work in a company with ten or more employees and 24% of the other young people without diplomas).

Table 8. Size of companies employing market entrants in 2006

					en %
	0-9 employees	10-49	200 and over	50-199	Total
Diploma holders	72.7	7.1	14.5	5.8	100
Others w/o diplomas	84.2	6.0	7.6	2.1	100
Early school-leavers	92.9	2.0	2.8	2.2	100
Total	75.1	6.6	13.0	5.2	100

Source: INSEE Labour Force Survey 2006, young people exiting initial education and training between one and four years earlier.

Young people without diplomas are more numerous than the others to hold subsidised contracts. They are more frequently hired on fixed-term contracts or temping assignments three years after the interruption of their studies.

## 3. More temporary or fixed-term employment

In 2007, three years after the end of their studies, one out of two young people without diplomas is in this situation, compared to one out of three for all those exiting initial education and training. Since the beginning of the 1980s, moreover, the situation of those without diplomas has declined relative to the other young

people. First of all, the probability for young people without diplomas holding a limited-term job (fixed-term contract or temporary employment) to enter a permanent job the next year dropped more than 20 percentage points between 1982 and 2002. Second, during the same period, the risk of losing their job in the course of the year increased by 15 points for young men without diplomas, while it showed little fluctuation for the other categories of young people (Givord, 2005).

Young people without diplomas hold temporary jobs more often than the others: 31 percent of early school-leavers are in this category, and this is even more the case for those who have dropped out of a CAP-BEP programme (43%) or the last year of high school (40%), while the average is 27 percent. Temporary jobs thus represent a resource for young people without diplomas, especially when the economic situation is favourable. It is most common among young men, in the manufacturing or construction trades. In fact, temporary employment is the preferred form of hiring beginners in certain large companies.

But it is not a solution without risks: only one-quarter of the young people who have been temporary workers subsequently manage to obtain a classic work contract. For the majority, temping does not lead to a stable position in the first three years of their transition pathways. This may be in part the young person's own doing, however: the advantages tied to temporary work (bonuses for precarious employment, higher wages) can trap young people in this kind of job (Besses and al., 2007).

#### **4. A considerable minority on subsidised contracts or in training**

Since the mid 1970s, youth employment assistance schemes have occupied a prominent place in transition pathways, especially for those without diplomas (Werquin, 1997; Minni and al., 2007). During the first seven years of their working life, between 1998 and 2005, 40 percent of young people without diplomas participated in employment schemes (Gasquet and Roux, 2006). More specifically, 22 percent entered training, 15 percent signed an alternating training contract and 11 percent had a subsidised contract from the non-market sector.

The authors remark, however, that there were fewer schemes than for the earlier age cohorts (Sédillot, 2004) and that they were less aimed at low training levels. Entry into the schemes was also less concentrated on the very beginning of the pathway (40% of the young people without diplomas concerned gained access after fourteen months and 25% after two and a half years).

Young people without diplomas participating in employment schemes have a specific profile: they are more often living in urban areas, less often heads of families, less frequently former apprentices or coming from industrial vocational training. To a greater degree than their counterparts, they have ended their studies because they were refused in the training programme of their choice. The fact of being unemployed during their first months of activity reinforces the subsequent entry into a scheme (all other things being equal).

At the end of seven years, those who have participated in schemes have an employment rate close to that of the other young people without diplomas, but more often on fixed-term contracts or in temporary work. This average, however, covers various kinds of pathways which can be more or less favourable.

#### Subsidised contracts in general surveys of households and individuals

General household surveys have difficulty identifying subsidised contracts and other youth schemes (training programmes in the regions). This is due to several factors:

- the person involved may be unaware of the subsidised job status; this is the case for schemes entailing exemptions from social contributions;
- the subsidised job status is poorly identified by the person concerned; this is the case for market-sector subsidised contracts, outside of alternating training, such as the 'young company employees contract' (CJE);
- The status indicated by the survey is more general: for example, 'fixed-term contract' (CDD) rather than 'subsidised contract';
- In the case of training courses, the status is rarely specified.

Taken together, these factors make the information collected relatively vague, especially if the respondent is not the young person concerned but another member of the household.

## IV. TRAINING

Obtaining a complementary vocational certification seems to be a suitable way of protecting young people without diplomas from precariousness. It must be stressed at the outset, however, that in France, the break between initial and continuing education and training remains sharp. Young people exiting the classic education system before the *baccalauréat* have little chance of resuming their studies even if they want to. Returning to apprenticeship is more conceivable, but with a certain amount of risk for those who are most fragile. It is necessary to find a host company and those who are in the most difficult academic and social situations are less likely to succeed.

The range of training programmes available to young people without diplomas is nonetheless varied: school-based alternating training and locally initiated complementary training for the first twelve months, when the young people come under the education system's General Integration Mission (MGI, see Chapter C); afterwards, youth training courses offered by the regions, training through the TRACE and subsequently CIVIS schemes, training during employment. And yet, in spite of the difficulties they encounter on the labour market, young people with no diploma make little use of continuing education and training leading to a qualification.

That said, according to the most recent statistical data (INSEE's 2006 Labour Force Survey, CEREQ's 2007 survey), there has been a significant increase in the resumption of studies or training for market entrants, at all diploma levels.

### 1. First three years

Thus, in 2007, young people exiting without a diploma three years earlier were more numerous to be in full-time training or to have resumed their studies (8%, including 16% who had left middle school and 12% who had reached *baccalauréat* level without obtaining it). Like other wage-earners without diplomas, those exiting in 1998 had benefited from little training during employment (7%, compared to 12% of those holding a CAP or BEP and nearly a third of higher-education graduates) (Table 9).

If they have, on the whole, benefited from alternating training contracts as much as those with a CAP, BEP or *baccalauréat*, this is mainly due to the fact that they were the priority targets of apprenticeship in continuing training (3% of them). On the other hand, they had less access to skilling contracts than those who already

had a CAP, BEP or *baccalauréat*, which indicates a diploma-based selection for these contracts, even though they were initially conceived for young people with incomplete training.

In all, only 5 percent of them obtained a certification or diploma either in alternating training or either following in-company continuing vocational training, compared to an average of 7 percent for the age cohort and 8 percent for CAP- or BEP-holders.

Table 9. **In-company training of young people without diplomas (1998-2001)**

Level	in %			
	Early leavers. CAP or BEP w/o diplomas 2nd. 3rd yr	Failure at <i>baccalauréat</i> . Final year drop-out	CAP-or BEP- holders	Entire cohort
<b>Alternating training contract</b>	9.4	6.1	9.4	7.1
-- skilling contract	5.9	4.8	7.3	5.4
-- apprenticeship contract	3.1	1.1	1.5	1.2
<i>In-company training</i>	7.4	17.4	11.7	21.0
<b>Diploma or certification obtained</b>	5	7.3	7.7	7.0

Source: CEREQ, Generation 1998 (Besses and al., 2007).

Outside of the job context, 80 percent of them received no training at all (Table 10). Among those remaining unemployed, a third participated in training. The young women made more use of training outside of employment (24% compared to 16 percent of the young men). The reverse was true for in-company training, whether alternating or not. And the resumption of studies remained rare: it concerned 5 percent of the young people without diplomas, as was the case for the entire age cohort.

Table 10. **Training of unemployed young people without diplomas (1998-2001)**

Level	in %
	Participated in training
Chronic non-employment	33
Employment w/o stabilisation (apprenticeship contract in particular)	28
Stabilisation w/o permanent contract	11
Stabilisation on permanent contract	7
Total for those w/o diplomas	4
	19

Source: CEREQ, Generation 1998.

Three years later, in-company training had gained ground. During the next two years (2001-2003), 8 percent of the recent graduates had participated in training outside the job context. Those whose employment trajectory had not stabilised during the first three years were more involved. Alternating training also showed an increase (of 3 percentage points, from 9 to 12%). But it was above all in-company continuing training which rose (from 7 to 18%). And obtaining a certification or diploma went from 5 to 10 percent.

## 2. Attitudes towards training

According to a qualitative study carried out six years after the abandoning of studies, young people without diplomas have varied attitudes towards training leading to qualification. These are shaped both by their experiences in initial education and training and by their work experience.

Those who have abandoned their studies after a long, gradual process of disengagement experienced school as a place of exclusion and are in principle the most reticent about entering another training programme. They are also the most misinformed about the training and individual support activities at their disposal. On the other hand, those who left school following an 'accident' (health or family problems, etc.) and those who did not receive the course of study they requested are more open to the idea of a long training programme.

The work experience of the previous six years also counts, notably in allowing the young person to step back (or not) from the failure at school. Those who have worked in the field studied, or those who, by reorienting themselves, have found a career path which suits them, or even a passion, commit themselves more easily to training programmes leading to qualification (Cart and Verley, 2005).

Mora and Lopez (2005), meanwhile, distinguish six main attitudes towards training among young people without diplomas. Three of these are favourable. The first, characterised as 'willing commitment', corresponds to the young people described above, those who have found their professional way. In the second group, young people characterised as 'willing but frustrated', have problems gaining access to the training programmes which interest them because these are too expensive or too selective. The third group is composed of young people who envision training 'maybe tomorrow' but are not ready in the short term. For these three groups, training is perceived as an important factor for gaining access to jobs, a means of developing one's skills or changing directions, of avoiding precariousness.

The other three attitudes are more negative. For the first group, training is only a stopgap measure, for lack of a job. The second is badly informed, in suspended motion relative to the institutions, and taking no initiative to obtain training. The third group is clearly opposed to training and it is the one whose past educational experience has been the most painful.

Among the individuals in these three groups, some make few connections between training and difficulty of access to employment. Others feel they are doomed to precarious, low-skilled jobs. For all three groups, returning to training would have a considerable psychological cost.

The study shows that, in certain cases, commitment to a career can gradually emerge along a pathway even though there was no pre-established plan. Indeed, many young people keep their distances from professionalisation, and even more so when their situation is precarious.

Under the circumstances, is it not paradoxical to ask these young people, who are already in difficulty on the labour market, to have more of a plan than the others? And how can the qualification of young people without diplomas be improved when they manifest little interest in training?



The school-to-work transition is difficult in France, if only because of a break between the world of education and the economic world which is still fairly sharp. This is especially the case for young people exiting initial education and training without a diploma (see the preceding chapter).

In order to analyse the public policies implemented, it is useful to study the linkage between the education system and the whole of the institutions in charge of employment policies or social policies (I), and then the assistance provided for economic and social integration permitting these young people without diplomas to find lasting employment (II).

## **I. THE SCHOOL-TO-WORK TRANSITION**

Young people in academic difficulty who reach the age of 16 – which marks the end of compulsory schooling – run the risk of leaving the education system without acquiring sufficient training. In law and practice alike, this age is not an automatic cut-off point.

- In law, the Education Code provides for the continuation of compulsory schooling if the age of 16 is reached without sufficient training (cf. Article L.122-2: ‘Any student who, at the end of compulsory schooling, has not attained a recognised level of training should pursue studies in order to attain such a level.<sup>1</sup> The state provides for the means necessary, in the exercise of its authority, for the resulting prolongation of schooling. Every non-emancipated minor has the right to pursue his or her schooling beyond the age of 16 years.’) These provisions correspond to stated objectives; they do not guarantee that a young person who so desires can pursue or resume schooling.

- In practice, as we have seen in Chapter A, school leaving takes place later, between 17 and 20 years of age.

In view of the situation of these young people, two questions arise:

- Should we, and can we stimulate them to continue their initial education and training within ordinary programmes or specific training?
- If not, how can we organise their entry into employment or the subsequent intervention of public employment service institutions?

For the past decade, within the education system, a General Integration Mission (*mission générale d’insertion*, MGI) has been in charge of meeting these needs.

### **1. The General Integration Mission**

Since 1996, the MGI has had as its objective to reduce the number of exits without diplomas from secondary schools. Its priority target is all the young people over 16 facing a risk of exiting the school system without qualifications or those who have left within the previous year.

Two kinds of actions are organised within the framework of the MGIs: prevention and training.

<sup>1</sup> Minimum training at Level V, exits from the final year of short vocational cycles and leaving upper secondary education and training before the final year.

### *Prevention*

At the level of the individual schools, an observation unit (Integration Assistance Groupe, GAIN) is composed of teachers, administrators, the local MGI co-ordinator and the guidance counsellor-psychologist. This unit identifies young people who are abandoning their studies or have already dropped out, analyses the causes and attempts to propose solutions.

The students thus identified benefit, throughout the year, from one or several individual meetings (known as 'situation interviews') with members of the educational and teaching team. The objective of this interview is to establish a diagnosis of the young peoples' wishes and needs and on that basis, come up with solutions for job entry or, most often, training. The latter may take place within an existing structure (vocational high school classes, apprenticeship) or within a specific training activity organised by the MGI (see below).

According to the MGI activity report for 2005-2006, nearly 60,000 young people had situation interviews. Among them, 38 percent were in lower secondary, 43 percent in vocational upper secondary and 18 percent in general or technical upper secondary education.

At the level of the training pool, an increasing number of platforms (or school-leaving observatories) are being set up in response to the situation interviews. They bring together all the partners involved in the integration process (education system personnel, members of the local missions and apprentice training centres [CFA], child protection officers [PJJ], national employment service [ANPE] staff etc.). These platforms are aimed at offering suitable alternatives to young people who have dropped out of school less than one year earlier and are without training or job-entry solutions. The alternatives may include recruitment in an apprentice training centre, professionalising training, adult education in state-run training centres (*groupements d'établissements*, GRETAS) or activities organised by the MGIs. According to the government report accompanying the 2005 Framework Law on the future of the school, these local platforms should become widespread.

### *Training*

The MGI's training activities are aimed at facilitating the student's entry into, retention in or return to a programme of training leading to a qualification or diploma. These activities are of varied duration but cannot exceed one year, with students arriving and leaving throughout the year. Individualised teaching methods are privileged. There is also recourse to the GRETA adult education programmes.

#### **The GRETAS**

The MGI draws on the GRETA within its own operations. These groups bring together the high schools and middle schools of a given area which want to provide education and training for adults. At present there are 231 GRETAS.

In 2006, the GRETAS received 439,400 trainees (cf. 446,080 in 2005), nearly half of whom were jobseekers (46.3%). A third of the latter were young people under age 26. In 2005, they constituted 27.6 percent of the 16-24 age group (without specification of the initial education and training level) (Ancel, 2007).

*Outcomes?*

In 2005-2006, 72 percent of the young people who had situation interviews returned to some form of education and training, whether traditional schooling (23%), apprenticeship (7%), specific training activities through the MGIs (35 %) or training courses organised by the regions (7%).<sup>2</sup> Among the others, 4 percent entered employment and 5 percent received ongoing advice and assistance from the local youth missions, while 20 percent remained ‘without solution’ following the situation interviews.

Beyond the statistical summary published by the Ministry of Education, there are few elements available for evaluating the effectiveness of these activities, as the National Institute for Educational Research has noted (INRP, 2007). Several comments may be made, however, about the follow-through of young people in difficulty and the assistance provided for their school-to-work transition.

First of all, the flow of young people taken on by the MGIs (about 60,000) seems limited in relation to the estimated number of those exiting without diplomas (about 117,000). There is clearly a problem of identification and follow-up of students which, moreover, goes beyond the framework of the MGIs (see below).

Second, information available from activity reports does not permit an understanding of how the MGI’s activity connects with the monitoring of the students in their earlier course of study. The process admittedly remains undefined when students remain in the same school but it is probably much more delicate when they change establishments.

Third, in order to assist the young people in their labour-market entry or determine its specific training activities, the MGI has to collaborate with outside participants (national employment service, local youth missions, chambers of commerce and industry, etc.). There is little systematic information available to judge this process; thus, the activity report makes no mention of it. In certain regions, such as Loire-Atlantique and Île-de-France (see boxes), the collaborations are more intensive.

**Platforms for personalised employment assistance in the Loire-Atlantique region**

At the end of 2006, the Nantes education authority set up five **platforms for personalised employment assistance** with the support of the Loire-Atlantique region. These platforms are intended to receive young people in school or who have just left the educational system, to propose a job suited to their pathway and motivations and possibly set up complementary training modules necessary for entering the job in question. The target public is faced with particular transition problems: some have dropped out of vocational high schools (CAP and BEP programmes notably) while others have obtained their diplomas but are without employment in spite of their jobseeking efforts (in particular, young people coming from special education sections [SEGPA] or regional schools [EREA]).

The platforms identify the young people concerned before they leave the education system in order to assist them in their transition up to six months after their exit, in continuation of the work carried out by the MGI. They rely on a partnership developed with the national employment service (via an agreement between the education authority and the ANPE) and the local youth missions so as to avoid any interruption of assistance to the young person, and also to draw on all the relationships existing with the companies.

<sup>2</sup>. Excerpted from the MGI activity report for 2005-2006, tables pp. 13, 15.

Each platform team includes a co-ordinator and one or several operators, in function of the local situation. Their role is to build strong partnerships both within the education system (schools and GRETAS) and outside of it (companies, ANPE, local youth missions, etc.) in order to provide the platform with job offers and training possibilities. A classroom assistant takes charge of certain activities. Interventions by instructors are also included. Linkages with the GRETAS are encouraged. An academic steering committee has been set up. The extension of the platform to the entire education authority area was anticipated for the 2007-2008 school year.

#### **The ‘success for everyone’ scheme in Île-de-France**

The Île-de-France region has made the struggle against early school-leaving one of the two key objectives of its High School Plan for 2007-2013. This priority takes concrete form in the ‘Success for all’ scheme set up in 2001. Its objective is to reduce the number of exits without qualifications by anticipating dropout situations and offering students who have left the school system less than one year earlier the possibility of returning to high school for training. In 2007, the region allocated 1.36 million euros for the programme (source: Regional Council website).

One aspect of the Regional Council’s intervention takes the form of financial support for activities already initiated by the MGIs; in 2007, these concerned 4,500 young people. The second aspect involves a call for projects from the high schools. Financial support is granted to high schools proposing educational projects to combat early school-leaving; 2,700 young people participated in 2007.

The projects selected are jointly financed by the central government and the region; the education authorities are responsible for the funding of the new posts and the overtime of teachers already in place, as well as their training, while the region picks up the other operating expenses. At present there are 129 projects in 95 schools particularly hard hit by exits without diplomas.

Eight schemes are specifically devoted to the reintegration of school drop-outs requiring ‘intensive care’. They all involve comprehensive, full-time assistance over a relatively long period (2-3 years) in order to bring the young people up to standard and have them enter a programme leading to a diploma. These schemes, which are relatively expensive, involve only 230 students but seem to obtain positive outcomes.

The other projects concern young people who have not yet dropped out of school. Some of them, developed more specifically in the vocational high schools, target young people whose high truancy rate signals a risk of dropping out. The projects seek to remotivate them, improve their basic knowledge and help them define a personal and professional plan. Some of these projects, set up in the general high schools over the past year, target students in the first year of general and technical upper secondary; as an alternative to repeating the year, which has little effect, they are offered a specific programme for the following year.

A final remark: given that the MGIs’ activity is mainly aimed at preventing exits without diplomas or qualifications through a return to training, it is surprising that there is no indicator on the outcomes of the students who have followed this path.

## **2. Difficulties of identifying school-leavers**

The mainstream education system has difficulty identifying students who interrupt their schooling. This is due in part to the complex organisation of the initial education and training.

### *A complex system*

#### *of initial education and training*

Within the field of the national education system, public and private schools do not have the same forms of administration, while students frequently go back and forth between the two. All the schools, however, whether public or private, use a single computer application for management of student data (SCONET) and this information is transmitted to the education authorities.

But other institutions are also involved in education and training. Alongside the school-based instruction of the national education system, the main institution is agricultural education and training (176,000 secondary-level students in 2005), which is developing its own information system, SAFRAN. And early leavers from middle school or high school can also be redirected to apprenticeship programmes, which also have their own system for student follow-up.

Before the beginning of the new academic year, the education authority inspectorate informs the principal of students from his or her school who have not found solutions and those who have failed their exams. The principal then contacts these students by letter in late August in order to know their situation for the new school year and follows up by telephone in early September. Individual situation interviews are organised for these young people, with help of the information and guidance centre (CIO) and the MGIs.

Students leaving school without a defined solution can still be redirected towards another programme, however, without the transmission of this information to the principal of their first school. Reorientation towards apprenticeship in particular may take time, because the student has to choose a speciality and find a host company. In addition, terminations of apprenticeship contracts are relatively frequent (25% of the time), most of which are followed by shifts to another speciality or company.

In sum, it is not unusual for the young person's situation to remain unstable for several months, which makes individual follow-up difficult, especially given the limited information available to the original school principal. It would thus be useful to be able to localise the former students of a given school for the following year, whether they have changed educational authorities or institutions, but this is not presently the case.

Because of the complexity of the French secondary education system, there is also a lack of statistical information specifying the young people's educational pathways. Over the medium term (2007-2013), the Ministry of Education anticipates a statistical information system for the follow-up of student pathways across the entire education system. In order to guarantee the anonymity of the information collection, the ministry is presently testing an encryption programme which could be introduced following the consent of the French Data Protection Authority (CNIL).

### *Uneven quality of identification at school level*

Where the identification of individuals is concerned, moreover, the information provided by the schools is of uneven quality. In the student datasets, those students who have left the school the year before are classified by the principal according to the different reasons for exiting: (1) 'pursuing studies within that education authority region'; (2) 'unknown'; (3) 'end of studies'; (4) 'departure from the education authority region'; (5) 'departure abroad'; (6) 'apprenticeship'; (7) 'specific reasons (illness, etc.)'.

A comparison of the datasets from two years carried out by the Paris education authority (Académie de Paris, 2006) highlights several problems. According to the authors, the reliability of the exit motives varies greatly from one school to another. In certain cases, there is excessive use of imprecise reasons. Thus, among those who were ‘lost track of’ (reasons 1, 2, 3, not found the following year), nearly all of those exiting middle school and 30 to 50 percent of those exiting the first and second years of general and technical upper secondary were declared to be pursuing their studies within the education authority. For the corresponding school principals, the reliable identification of the leavers, hardly very numerous in relation to the student body as a whole, was not a priority.

## II. PERSONAL SUPPORT MEASURES TO ASSIST THE TRANSITION OF YOUNG PEOPLE WITH SPECIAL PROBLEMS

The school-to-work transition is difficult for young people in France, especially in the case of those without diplomas (cf. Chapter B). Public authorities have developed a group of policies and institutions to cover this phase for young people aged 16-25 in a particular way.

The assistance to be provided for young people who do not rapidly enter employment can often not be limited to simple support in their job search. As we indicated in Chapter A, young people without diplomas frequently have personal and social problems and can rarely count on assistance from their families. And while the inadequacy of initial education and training is the major obstacle they face, it is necessary to examine more specifically the assistance provided, directly or indirectly, to increase the qualifications of young people leaving school without diplomas.

Two sections will be devoted successively to the actors providing personalised support for these young people (mainly the local youth missions and the ANPE), the instruments used (CIVIS social integration contracts, subsidised contracts, training, social assistance and income support). A final section will examine problems of co-ordination between actors.

### 1. Actors providing personalised support measures

Two main actors from the public employment service intervene in assisting the young people in their job search: the local youth missions (*missions locales*, ML) and the ANPE. But the instruments at their disposal are financed by many other actors (who also determine their implementation). The administrative regions are increasingly in charge of the funding and organisation of training; the *départements* are responsible for social services (with, for example, the youth assistance funds, FAJ); the municipalities and municipal communities (*communautés de communes*) may also intervene in the area of social service or employment (employment centres). The central government also intervenes through subsidised contracts and European funding from the European Social Fund (ESF) may be used as well.

#### 1.1. Local youth missions

The network of local youth missions and the information and guidance drop-in centres (PAIOS, see Summary, II.2.), set up in 1982 following the report of Bertrand Schwartz, carry out a public service mission, namely that of allowing all young people between the ages of 16 and 25 to overcome the difficulties hindering their vocational and social integration. This network is an important, even key actor in the integration of young people, as emphasised by the 2005 social cohesion plan.

### The network of local missions and PAIOS

The network of 417 local missions and 72 PAIOS has nearly 1,095 field offices and more than 3,950 drop-in centres spread throughout France. This amounts to a total of 5,462 reception points, or an average of 11 per structure. In 2006, 11,183 professionals were working within the network. Their number was recently increased, following the 2005 decision to create the CIVIS scheme (discussed in section 2.1. below) and to entrust its management to the local missions (2,000 posts were anticipated).

In 2006, 470 million euros of public financing was allocated to the network. These funds came from the state (40.1%), the regions (17.3 %), the *départements* (5 %), the municipalities and the municipal communities (which have the legal status of *établissements publics de coopération intercommunale*, EPCI, 23%), the ESF (8%) and other public and private bodies (7%). These figures are only an average; depending on the degree of collaboration between institutions, the funding contributed by a given territorial authority can vary greatly.

The territorial coverage is uneven: in certain cases, the local mission operates in a single municipality (this is the case of 19 local missions). At the opposite extreme, one local mission is sometimes spread over an entire *département* (there are 14 local missions of this kind).

In 2006, 1,210,000 young people were in contact with this network. Among the 477,000 who were received for the first time that year, 43 percent had no diplomas (Table 1), a situation more frequent among young men (51%) than young women (36%). The figure of 220,000 young people without diplomas arriving for the first time seems overestimated.<sup>3</sup> In fact, the local missions themselves acknowledge that they do not receive all the young people without diplomas, or even those among them who are unemployed.

Table 1. Level of young people on first visit, by gender (2006)

	in %		
	Males	Females	Total
<i>Baccalauréat</i> + 2 years or higher	5.2	8.7	7.1
<i>Baccalauréat</i>	15.0	22.2	18.8
<i>Baccalauréat</i> level w/o diplomas	9.3	13.6	11.6
CAP-BEP	19.9	19.7	19.8
CAP-BEP level w/o diploma, exit from 2nd or 3rd year of programme	17.5	13.2	15.2
1st year CAP-BEP, exit from final year of lower secondary	23.7	16.5	19.8
Exit before final year of general lower secondary	9.4	6.1	7.7
Total	100.0	100.0	100.0

*Field:* Young people visiting the network of local youth missions/PAIOS for the first time in 2006.

*Source:* DARES, Bonnevielle, 2008a.

<sup>3</sup>. This figure for the number of young people without diplomas received for the first time per year appears surprising because it is considerably higher than the estimate of the annual flow of exits without diplomas (about 117,000). Several factors must be taken into account. First of all, the young people may contact the local missions more or less quickly after leaving school; the rapid increase in the number of 'new arrivals', which is partly related to the spread of the CIVIS scheme, may also contribute to the disparity. Second, it is possible that some young people underestimate their training level in order to benefit from intensified support schemes, as with CIVIS.

The network of local missions and PIAOs recognises that part of these young people remain unknown to them. Moreover, considerable time may elapse between the exit from the initial education and training system and contact with the network. Over half of those without *baccalauréats* take more than a year after the end of their studies to approach the local mission (Bonnevialle, 2008a), and for one-quarter of them, the period may be as long as three years, whereas recent high-school graduates, for example, make contact more rapidly. How is this delay to be explained? Is it due to a lack of co-ordination with the education system or the result of the young people's distrust of institutions? It is important to reduce this waiting period because if individual support is to be effective, it should begin early on.

In 2006, counsellors conducted 3.7 million individual interviews with the young people received. For the local missions, priority is given to their career plans, but many of these young people do not yet have one. During the interviews, the counsellor proposes a pathway in function of that plan, whether it is already established or remains to be defined.

Following their contact with the local mission, 487,000 young people interviewed individually in 2006 entered employment or training: 26 percent gained access to a classic job the same year; 8 percent to a subsidised job and 22 percent to training. We do not know the percentages for those without diplomas, however.

In the agreements between the state and the local missions, emphasis is placed on job entry as the primary objective. This situation calls for two comments.

In the case of young people without diplomas, this goal (translated into outcome indicators as the fact that the young person finds a non-subsidised job lasting more than six months or an alternating training contract) should be complemented with emphasis on improving and certifying their qualifications. Giving priority to employment does not allow for the time which is often necessary to obtain it. For this reason, the objective should be expressed more in terms of the building of transition pathways, which would also allow the other aspects of the local missions' interventions (resolving the personal or social problems of the young people involved) to be taken into account more effectively.

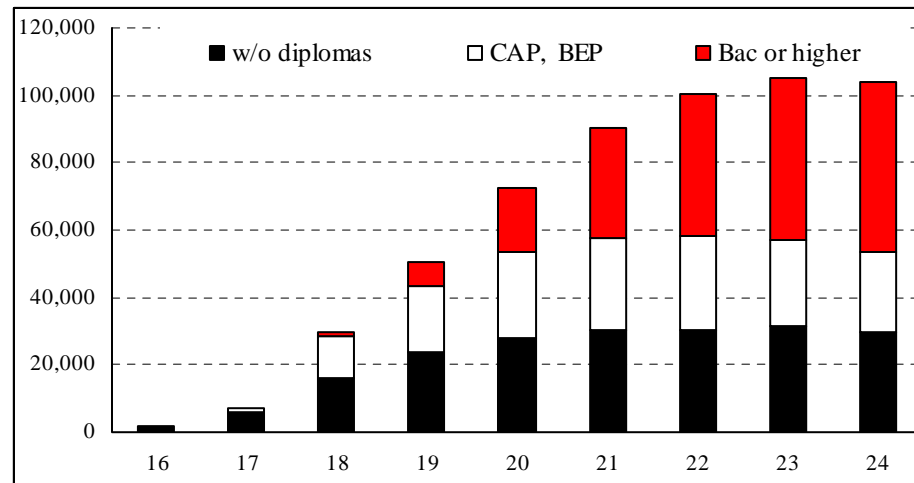
## **1.2. The public employment service (ANPE)**

Young people can register with the ANPE either immediately after their education and training or after the end of a work contract. In 2007, 1.5 million young people under age 25 registered as jobseekers, including 520,000 without diplomas.

Among the 570,000 young jobseekers aged 15-24 who were registered with the ANPE in December 2007, 35 percent had no diplomas. While this group remains stable between 20 and 24 years, its proportion among young jobseekers decreases with age (29% at age 24), since those with diplomas complete their studies and register with the ANPE later on (Fig. 1).



Figure 1. Jobseekers aged 15-24 by age and training level



Note: Jobseekers at the end of December 2007, categories 1-3 and 6-8.

Source: ANPE, statistical log file.

### Co-contracting

Individual support for jobseekers is provided within the framework of a personalised employment access plan (*projet personnalisé d'accès à l'emploi*, PPAE), through which the ANPE directs certain young people aged 16-25 towards the local missions.<sup>4</sup> In 2007, this was the case for 128,000 young jobseekers.

Among the 686,000 young people aged 16-25 registered with the ANPE at the end of December 2007, an average of 13 percent were referred to the local missions through co-contracting. Those without diplomas receive more personal support from the local missions (this is the case for 20% of them, see Fig. 2). In addition, they are more often monitored by the network of local missions when they are first-time labour-market entrants (31%) and when they have been unemployed for a long period (34% of the young jobseekers registered for one year or more). This is also true for young people as a whole (Fig. 3 and Table 2).

Table 2. Proportion of young people followed up by local missions by reason for registration with the ANPE and diploma level

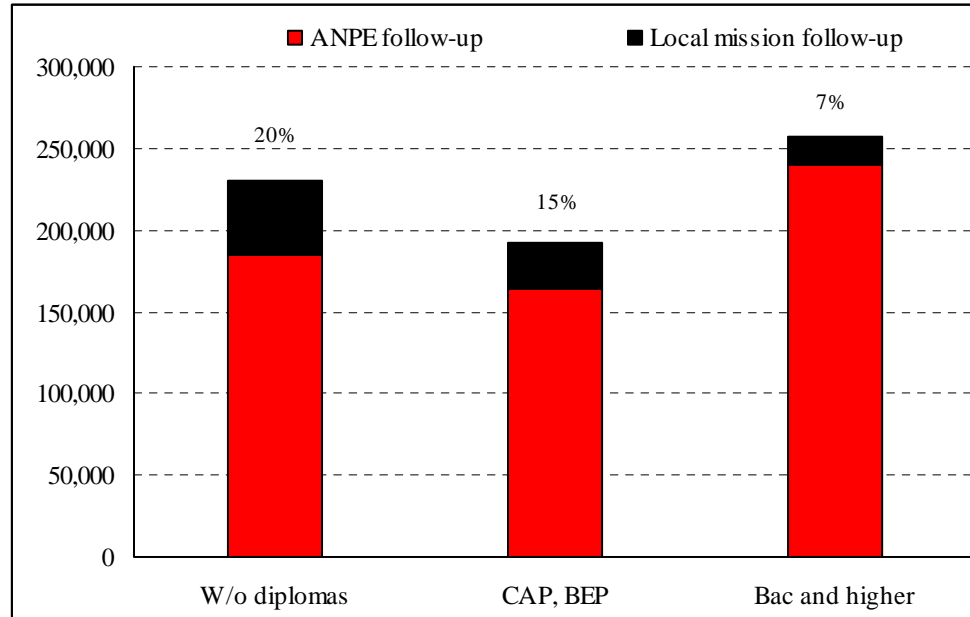
	in %			
	w/o diplomas	CAP, BEP	Bac and higher	Total
First entry onto labour market	31	26	10	19
Other cases	18	13	6	12

Note: Young people aged 16 to 25 registered with the ANPE in categories 1,2,3, and 6,7,8.

Source: ANPE, detailed administrative log file, December 2007.

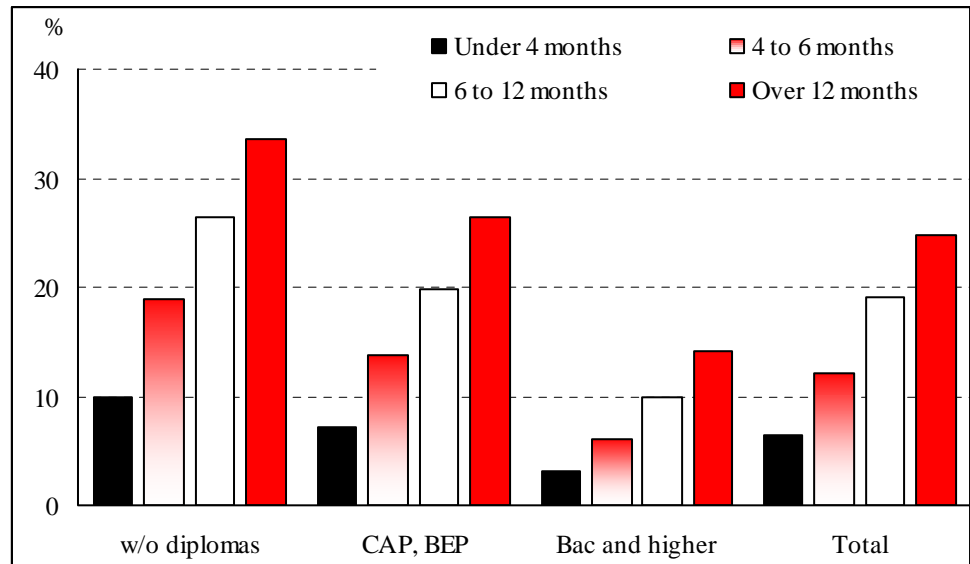
<sup>4</sup> In addition, 360 ANPE agents are seconded to the local missions.

Figure 2. Young people registered with the ANPE and followed up by the local youth missions through co-contracting



Note: Young people aged 16-25 registered with the ANPE in categories 1,2,3, and 6,7,8.  
 Source: ANPE, detailed administrative log file, December 2007.

Figure 3. Proportion of young people followed up by the local missions by length of time and diploma level



Note: Young people aged 16-25 registered with the ANPE in categories 1,2,3, and 6,7,8.  
 Source: ANPE, detailed administrative log file, December 2007.

According to an internal ANPE report, the young people referred to the local missions by counsellors at the local employment offices are mainly those with low qualification levels and need for specific support going beyond the employment context alone (Bouchardeau, 2007). Individual support measures for young people who have little or no work experience and, in addition, suffer from personal (health, motivation), economic and social handicaps should clearly be handled by a specialised operator (public or private) using specific approaches and provided with appropriate outcome objectives.

From this standpoint, the co-contracting between the ANPE and the local mission network, and the fact that the young people in the most delicate situations are most often directed towards the local missions seems to be an appropriate procedure.

In the other direction, it might be useful for the local missions to refer young people contacting them to the ANPE when there are fewer specific problems involved. The publics taken on by the local missions should not, however, become too homogeneous, feel stigmatised and in fact become stigmatised by potential employers. Here too, a good balance depends on the objectives given to the local missions.

One of the problems of co-ordination between the ANPE and the local missions for the follow-up of young people is the non-communicability of the respective information systems, which has already been brought out in the CERC's earlier studies (for the report *Assisting the return to employment*, CERC, 2005). The ANPE is not familiar with the pathways and activities used by the co-contractors and conversely, the local missions do not have a good idea of the young people's experience at the ANPE. It appears that the situation is improving, as should be confirmed by the evaluation of the PPAE for 2007. The improvement of the information systems and their inter-communicability is an objective which concerns the issue of the 'single file' for jobseekers. The June 2006 framework agreement for closer partnership is intended to solve this problem.

The ANPE has developed recruitment procedures intended to avoid employer selections based exclusively or excessively on diplomas. These are known as vocational platforms (*plate-formes de vocation*, a term inspired by the English 'vocational', see box).

#### **Vocational platforms**

The ANPE organises recruitment through vocational skills tests. In each *département*, one local employment office is specialised in this approach. The basic principle of the vocational platform is to study the job on site, to question the immediate superior and then define a group of exercises in order to identify the necessary skills (respecting instructions, rapidity, remaining polite with the customer even under stress, etc.). The candidates selected through this method are then interviewed by the company, which commits itself to not making its final selection on the basis of the CV or diploma.

The vocational platforms do not serve to identify skills outside of hiring. They only function in relation to specific job vacancies.

Knowing about the companies looking to recruit is another area calling for collaboration. But here, it would seem that the collaboration between the different actors (ANPE and local missions, but also the unemployment benefits office [ASSEDIC] and the *départements*) is not always perfect. In fact, each actor is tempted to create its own network.

The ANPE also collaborates with temping agencies (see box).

#### **'Destination: youth employment' project**

In February 2005 a national agreement was signed between the temping agency ADIA, the Ministry of Employment, the National Council of Local Missions (CNML) and the ANPE. This agreement between public and private partners defined the project activities along three operational lines.

- Pathways for vocational discovery through temping (followed by 70% of the young people coming under the agreement) offer in-company temporary assignments in a field corresponding to the young person's career plan, including intensive coaching in parallel with the local mission.
- Experimental 'action training' programmes (involving 30% of the young people) are jointly funded by the state and ADIA. They combine the acquisition of social and technical knowledge with behavioural skills (appearance, conduct, following orders).
- ADIA offers assignments to young people with CIVIS social integration contracts who have successfully completed one or several tests on a vocational platform.

Another experience is scheduled to get underway in the context of the 'Espoir Banlieues' (Hope for the Suburbs) plan presented on 5 March 2008 (box).

#### **The employment section of 'Espoir Banlieues'**

The core scheme is an 'autonomy contract' to be provided over a 3-year period to 45,000 young people under 26 years of age from disadvantaged urban areas. The first contracts were signed in July 2008.

The contract is signed between a young person and a public or private job-placement operator, chosen by invitation to tender, with remuneration based on outcomes (placement in a lasting job, alternating training or training programmes leading to qualification). It involves six months of intensive support in jobseeking and six months of follow-up after the entry into employment.

The young people are registered with the ANPE and receive a grant. They commit themselves to undertaking the necessary preliminary training and actively seeking a job. A partnership has been set up between the state and 38 company heads in order to offer these young people 22,000 places (half jobs, half alternating training contracts or training leading to qualification).

## **2. Assistance policy instruments**

The entry into lasting employment of young people exiting initial education and training is a relatively long process and this is especially the case for those exiting without diplomas (Chapter B). Public policies aimed at assisting the youth transition should thus organise pathways rather than implementing sporadic assistance schemes over limited periods of time.

### 2.1. The social integration contract (CIVIS)

A specific scheme, the social integration contract (*contrat d'insertion dans la vie sociale*, CIVIS) meets this need. Created in April 2005, within the framework of the social cohesion plan, CIVIS is the successor to the 'Employment access pathway' scheme (*trajet d'accès à l'emploi*, TRACE). It is intended to accompany young people in difficulty into lasting employment. Young people without diplomas, except for those who have reached the end of upper secondary, benefit from special follow-up, with weekly interviews during the first three months and monthly interviews thereafter.

The CIVIS contract lasts one year, with the possibility of one renewal. For young people 'without qualifications', the 'intensive CIVIS' may be renewed as many times as necessary up to age 26.

The first period of the CIVIS, lasting three months, should lead to the development of a pathway for entry into working life on the basis of job offers or professionalising training (which may include periods in the company), specific activities for individuals encountering particular job-entry problems, or special assistance in job-seeking or business start-up.

The CIVIS ends at the conclusion of the trial period for a job, whether salaried or not, lasting at least six months or when the beneficiary reaches age 26. It may be terminated if the contractual obligations are not respected. Those who have signed such a contract may, at their request, continue receiving individual support in employment for a period of one year.

The CIVIS-holder who is under 18 years of age may benefit from state aid in the form of an allowance paid during periods when he or she receives neither remuneration from employment or training nor any other allowance. The CIVIS allowance varies between 5 and 10 euros a day (without exceeding 300 euros a month), for a total of 900 euros a year. The payment of the allocation may be suspended or halted entirely if the beneficiary fails to respect the terms of the contract.

The importance of the young person's primary counsellor had been signalled in the evaluations of the TRACE programme. One out of two young people felt that the programme had a positive effect on their professional situation and three-fourths considered their counsellor useful, or even indispensable. One out of two would have liked more contacts with the counsellor and one out of seven maintained ties with the person who was their counsellor during the period of individual support. This was also true of young people who had jobs, probably because of the precarious nature of their labour-market entry (Mas, 2005). Within the CIVIS scheme, young people receiving special support have a single counsellor.

Between April 2005 and June 2007, 391,000 young people signed a CIVIS contract (Bonneviale, 2008b). In 2006, there were 188,000 entrants into the scheme, 55 percent of whom were young women. In December 2007, 267,000 young people were on CIVIS contracts, 70,000 of whom (26%) had held a job during the month and 42,000 (16%) had been in training during the month.

At the outset of the programme, many of the young people do not have diplomas (Table 3), especially the young men.

Table 3. **Initial education and training level of young people entering the CIVIS programme**

	in %		
	Males	Females	Total
<i>Baccalauréat</i> + 2 years or higher	0.5	0.9	0.7
<i>Baccalauréat</i>	5.5	10.1	8.0
<i>Baccalauréat</i> level w/o diplomas	8.3	15.9	12.5
CAP-BEP	13.8	15.0	14.5
CAP-BEP level w/o diploma, exit 2nd or 3rd year	21.8	22.9	22.4
1st year CAP-BEP, exit last year lower secondary	35.8	26.1	30.5
Exit before last year general lower secondary	14.3	9.1	11.4
Total	100.0	100.0	100.0

*Note:* 41.9% of the young people are eligible for the 'intensive CIVIS'; 64% benefit from individual follow-up.

*Field:* Young people in CIVIS programme during June 2007 throughout France (with the exception of Burgundy).

*Source:* DARES.

Among the 142,000 young people leaving the scheme since its creation, 42% went into a 'lasting job' (permanent contract or fixed-term contract for more than six months, excluding subsidised contracts from the non-market sector). A total of 54% went into a job, whether lasting or not, or training. Those in the 'intensive CIVIS' scheme encounter more difficulties: 18 months after their entry, less than one out of five has obtained a lasting job, compared to one out of four in the ordinary CIVIS programme.

At this stage, three comments may be made:

- The number of CIVIS contracts is considerable, but lower than the number of young people leaving school without diplomas (partly because they do not all contact the local missions, but probably also because of limited means). The local missions can develop pathways outside the CIVIS process, but in that case, it is more difficult to implement.
- The length of the contract is open to question. A one-year scheme which may be renewed is not the same as a scheme conceived over several years from the outset.
- In practice, the CIVIS scheme essentially consists of individual support; when this requires recourse to other employment policy schemes (training, subsidised jobs, material assistance, etc.), the local mission has to draw on other institutions (regions, central administration, *départements*).

This process is time-consuming and may introduce deadlines which are difficult to integrate into the annual contracts, given that each institution proposes a tool corresponding to its own preoccupations. It is therefore unfortunate that the tools are not designed earlier on in the process in order to co-ordinate several dimensions of the entry into employment. For example, a region could fund training leading to qualification for young people without diplomas at the same time that they hold part-time subsidised contracts from the state.

## 2.2 Subsidised contracts

French employment policy has made wide use of subsidised contracts, even if this recourse has gradually diminished in favour of the reduction of employer social contributions on low wages (cf. our report no. 7, *Times of change: France 1993-2005*, CERC, 2006). For the young people concerned, employment policy, with the

exception of the ‘New Services – Youth Jobs’ scheme, has favoured those ‘without qualifications’.

Before examining the extent of the recourse to subsidised contracts, three methodological comments are in order.

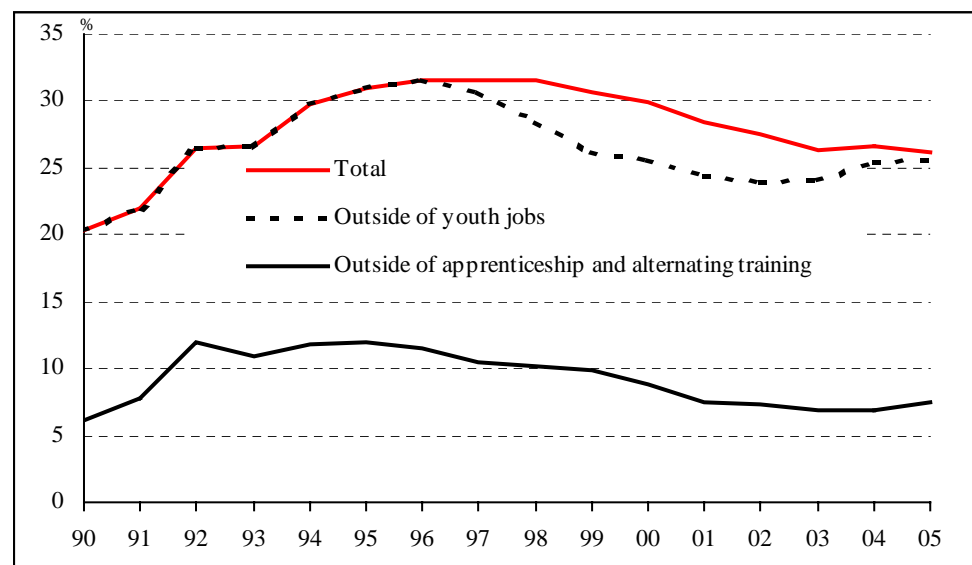
- Jobs on apprenticeship contracts are identified as employment on subsidised contracts. Most often (nine out of ten cases for the whole of apprenticeship), a form of initial training is involved. Similarly, in one out of two cases, a professionalisation contract (previously known as a skilling contract) directly follows the end of studies; to some extent, it is also an extension of training. In order to analyse assistance for young people exiting initial education and training, it is thus necessary to deduct these situations from the figures for subsidised jobs.

- Until recently, youth employment policies have privileged the concept of those ‘without qualifications’. As a result, available statistics and studies do not generally bear on the field of those ‘without diplomas’.

- Studies on the effectiveness of the different subsidised contracts are carried out on the basis of samples which are too small for isolating the effects on the young people, much less on young people without qualifications or diplomas.

Subsidised contracts represent about one fourth of young people’s jobs, including alternating training and apprenticeship (Fig. 4).

Figure 4. **Proportion of subsidised jobs among jobs held by young people under age 26**



Source: DARES.

If only those alternating training contracts involving a resumption of training are taken into account, subsidised contracts represent about 13 percent of youth employment and 34 percent of the employment of young people ‘without

qualification' (Table 4). The 'without qualifications' group is slightly overrepresented in subsidised youth contracts (they account for about 16%).<sup>5</sup>

Table 4. **Number of young people without qualifications in employment policy in December 2007** (excluding initial education and training or its immediate continuation)

	Young people under age 26	Young people w/o qualifications
<i>Paid employment outside of initial education and training (2006)</i>	2,500,000	160,000
Employment initiative contracts, CIE	6,174	1,039
Integration into employment contracts, CAE	47,625	6,987
Contracts for the future, CAV	3,809	1,034
Others (CIRMA, NSEJ, CEC)*	2,024	690
Young company employees contracts, CJE	136,873	26,006
Professionalisation contracts outside of initial education and training	86,256	8,626
Apprenticeship contracts	45,805	8,359
<b>Total subsidised youth contracts outside of initial education and training</b>	328,565	52,741
<i>Share of employment</i>	13%	34%

\* CI-RMA = integration-minimum guaranteed earned income contract.

NSEJ = New Services – Youth Jobs contract.

CEC = consolidated employment contract.

*Note:* Half of the professionalisation contracts and 89 percent of the apprenticeship contracts correspond to the resumption of training. The percentage determined for the whole of the contracts has been applied to contracts for the young people 'without qualifications'.

*Sources:* DARES and INSEE's 2006 Labour Force Survey for salaried employment.

In the case of young people with largely inadequate initial education and training, it is necessary to pay special attention to the training dimension of subsidised contracts. The ideal would be that the period on these contracts would lead this group of young people to acquire a formal qualification.

Alternating training contracts (i.e., apprenticeship or professionalisation) are specifically aimed at acquiring a qualification. The other contracts, however, leave only a very marginal place for training leading to a diploma or certification.

***Subsidised contracts leading to qualification***

Apprenticeship has greatly expanded in recent years. That said, the training programmes which have seen the most rapid growth are those at *baccalauréat* level or higher. The number of young people without qualifications entering apprenticeship has shown little variation over the past decade: between 100,000 and 120,000 per year, 111,000 in 2006 (Sanchez, 2008a).

<sup>5</sup> For the integration into employment contracts (CAE), contracts for the future (CAV) and employment initiative contracts (CIE), it is possible to identify a broader field than that of those 'without qualifications' and thus, closer to the whole of young people without diplomas. In 2007, 39 percent of the young people in these schemes had no secondary diploma and had not reached the last year of upper secondary.



These findings concern apprenticeship contracts as a whole. There is no available information on apprenticeship contracts for the return to training after the end of initial education and training.

In November 2004, the professionalisation contract superseded the skilling contract, adaptation contract and vocational guidance contract (*contrats de qualification, d'adaptation, d'orientation*). This scheme has spread less rapidly than apprenticeship. From December 2004 to December 2005, 84,000 young people under age 26 began a professionalisation contract, only 10 percent of whom were 'without qualifications' (Table 4). In 2006, a total of 141,000 professionalisation contracts were recorded (in metropolitan France), including 125,000 in favour of young people under age 26 and some 15,000 for those 'without qualifications' (Sanchez, 2008b).

From the time they leave the scheme, more than 80 percent of the young people who have been in alternating training are in employment (subsidised or not). A considerable share of them have a subsidised job during the first few months afterwards, partly because several alternating training contracts can follow one another, to change vocational directions or build an alternating training programme. The non-subsidised job largely predominates two years after the young people have exited the scheme. At that time, eight out of ten former beneficiaries of alternating training contracts hold a classic job. Here too, this finding covers the totality of the young people, with or without diplomas.

### **Other subsidised contracts**

The new contracts defined by the social cohesion law of 18 January 2005 gradually replaced the earlier schemes in the course of that year.

#### **Other subsidised contracts**

In the non-market sector, the contract for the future (*contrat d'avenir*, CAV), lasting a minimum of 24 months and renewable up to a total of 36 months, is open primarily to recipients of minimum social benefits. The integration into employment contract (*contrat d'accompagnement dans l'emploi*, CAE), lasting a minimum of 6 months within the overall limit of 24 months, is intended for the other jobseekers. These two contracts have replaced the employment solidarity contract (*contrat emploi solidarité*, CES) and the consolidated employment contract (*contrat d'emploi consolidé*, CEC).

In the market sector, the integration-minimum guaranteed earned income contract (*contrat insertion-revenu minimum d'activité*, CI-RMA) is open to recipients of minimum social benefits. The employment initiative contract (*contrat initiative emploi*, CIE), a permanent or fixed-term contract lasting a maximum of 24 months and renewable twice within that limit, mainly concerns the other jobseekers.

In the third quarter of 2007, young people accounted for one fourth of the recruitments on non-market subsidised contracts. Thus, 36 percent of the employees hired on CAEs were young people under 26 years of age. The share of young people on CAVs is smaller (7.5%). Individuals 'without qualifications', all ages combined, represent 27 percent of the beneficiaries of the subsidised contracts in the non-market sector (Table 5).

In the market sector, the CIE is less concentrated on the youngest beneficiaries (7% are under age 26) and on those with the fewest qualifications (17% are 'without qualifications').

Table 5. Characteristics of subsidised contract beneficiaries (third quarter, 2007)

	Market-sector jobs	Non market-sector jobs	
	CIE	CAV	CAE
Annual recruitment flow (2006T3-2007T2)	53,976	95,011	149,884
<i>Under 26 years of age</i>	7.1	7.5	36.0
Training level, all ages combined			
<i>Below CAP</i>	16.8	32.2	23.4
<i>CAP-BEP level</i>	45.9	42.8	44.3
<i>Baccalauréat level</i>	19.2	14.6	19.8
<i>Above baccalauréat</i>	18.0	10.3	12.5

Field: All of France.

Source: CNASEA – Processing: DARES.

The young company employees contracts (*contrats jeunes en entreprise*, CJE) warrant separate treatment. Set up in July 2002, the scheme for ‘support for the employment of young people in the company’, also known as the ‘young company employees contract’, took the form of an employer premium of 400 euros a month for two years and half of this sum for the third year. The young person, with a training level below the *baccalauréat*, was supposed to be hired on a permanent contract. Between 1 April 2005 and June 2006, the social cohesion plan had adjusted the amount of the premium in order to encourage the hiring of the young people with the least qualifications. This adjustment was subsequently abolished by the law of 21 April 2006 on young people’s access to working life in the company.

In 2005, young people without diplomas represented half of the 62,000 annual recruitments on CJE contracts, including only 20 percent ‘without qualifications’. The other half was composed of recent CAP- or BEP-holders. At the end of 2006, 120,000 young people held a job benefiting from state aid through the CJE. For those with the least qualifications, this ‘young company employees contract’ constituted a privileged means of access to the permanent contract. Its extensive growth resulted, however, from a sharp windfall effect: the scheme came to represent between 45 and 65 percent of the usual volume of recruitments on permanent contracts of young people with training levels below the *baccalauréat*. This is one of the reasons leading to its elimination as of 1 January 2008.

Since the law on social cohesion in particular, subsidised contracts include measures of individual support or training (Table 6). In terms of training, the minimum is access to the basic rights provided by non-subsidised contracts.

Table 6. Individual support and training activities included in subsidised contracts

Nature of activities	Contract for the future (CAV)	Integration into employment contract (CAE)	Employment initiative contract (CIE)
	Required (Labour-market entry plan)	Recommended	Recommended
Access to training plan	Yes	Yes	Yes
Designation of a coach	Yes	No	No
Access to the individual training rights (Dif)	Possibility of benefiting from the ‘Dif-CDD’*	Possibility of benefiting from the ‘Dif-CDD’*	Access to Dif
Access to the individual training leave	No	No	Yes

\* Dif-CDD = Individual training rights on fixed-term contract.

Source: Dassault, 2007.

Little information is available for evaluating the reality of this individual support and the training programmes. Thus, there is not, at present, a comprehensive study on access to the Accreditation of Prior and Experiential Learning (*validation des acquis de l'expérience*, VAE) for beneficiaries of subsidised contracts. However, the indications on hand suggest that this access remains very limited (Dassault, 2007).

The possibility of individual support schemes and training during the subsidised contracts is difficult to identify and available data concern beneficiaries as a whole. In general, those with the fewest diplomas have less access to training than the other categories; apart from specific obligations, it is likely that this is also the case for young people on subsidised contracts. There is also little information, moreover, on the nature and suitability of the activities undertaken.

In 2006, 59 percent of the integration into employment contracts and 78 percent of the contracts for the future provided for personal support; in nine out of ten cases, it was carried out internally by a coach. This is less often the case for the employment initiative contracts in the market sector (19%).

A training programme is often planned at the time of hiring but whether it is actually taken and with what outcome remains unknown. In addition, the training provided for rarely leads to qualification (Table 7).

Thus, 59 percent of the integration into employment contracts allow for training, most of the time for adaptation to the post (46.9%); only 7.3 percent of recruitments provide for training leading to qualification. In the case of the contracts for the future, 86.9% provide for training, but here too, this is generally for adaptation to the post. The education system allows for training less often than the other employers in the non-market sector. In the market sector, 36.4 percent of the employment initiative contracts provide for training (Lamarche and Pujol, 2007).

Table 7. **Training included in subsidised contracts (2006)** (all ages and all diploma levels)

	in %		
	CAE	CAV	CIE
<b>Training programmed *</b>	<b>58.5</b>	<b>86.9</b>	<b>36.4</b>
Adaptation to job	46.9	69.8	31.4
Refresher courses	4.3	7.1	1.6
Leading to qualification	7.3	9.9	3.4

\* Data solely from declarations.

Source: DARES.

It is clear that these training programmes are mainly aimed at adaptation to the job; refresher courses or training leading to qualification are much less frequent. If, as is likely, this overall finding applies to young people without diplomas, it is totally inadequate in light of their needs.

### Evaluating the effectiveness of subsidised contracts

There are few studies evaluating the impact of the employment policy schemes by isolating their particular effects beyond problems of selectivity. Evaluations may be made on the basis of experimental and non-experimental data. In Europe, and notably in France, the experimental method is rarely used. In the United States, however, control experiments have been conducted since the 1970s (Magnac, 2000). Here, two groups of individuals are chosen at random so that the group to which the policy is applied can be compared to the control group.

In this area as elsewhere, it is necessary to stress the inadequacy of evaluations carried out in France. Some of these bear on relatively distant periods and it may be dangerous to attempt to apply their findings to the present schemes, to the extent that the same kinds of schemes are not necessarily the most effective at different times. Thus, employment assistance schemes were generally less effective at the end of the 1990s than in the late 1980s. The schemes benefiting the young long-term unemployed in the late 1980s were training courses; ten years later, they were the market-sector subsidised contracts (Brodaty, Crépon and Fougère, 2005). These differences may result from changes in the labour-market context or development in policy implementation.

There is no evaluation dealing with the new subsidised contracts stemming from the 2005 social cohesion plan, but some relatively close schemes have been analysed. Similarly, the professionalisation contract has not yet been evaluated, and it is difficult to use the findings obtained for the earlier skilling contract to the extent that the role of training has declined between the two.

Several findings relative to policies aimed at young people may be highlighted. These come from studies analysing job entry through the use of kernel matching estimators based on the entrants' characteristics (Brodaty, Crépon and Fougère, 2001; Crépon, Ferracci and Fougère, 2007). It may be noted first of all that the effectiveness of training courses or programmes, including alternating training, offered to young unemployed persons and especially those who have been unemployed for a long period, increases with their duration and the volume of their training content.

In the market sector, subsidised contracts have positive effects to the extent that they permit the accumulation of experience and thus that they last for a sufficient amount of time. Short-term subsidised contracts, whether in the market or non-market sector, do not facilitate access to stable employment. In the non-market sector, meanwhile, the effectiveness of subsidised contracts for access to lasting employment has not been demonstrated.

Even and Klein confirm several earlier findings through the use of the panel survey on employment policies carried out by the DARES (follow-up of a panel of beneficiaries entering several schemes between the end of 1997 and mid 1999 and a control group which did not participate in these same schemes; they were queried in 2002 and 2003). Above all, market-sector subsidised contracts (here, the CIEs) improve chances of return to employment and the living standard of the individuals concerned. Non-market-sector contracts and training (here, employment-solidarity contracts and job-integration and training courses [SIFE]) do not have the same positive effect on the employment of the young people concerned, except for the CESS accompanied by training or individual support schemes and the SIFES leading to a certified training programme (Even and Klein, 2008).

The programmes may also have different effects depending on the public targeted (Brodaty, 2007). For the 1986-1988 period, employment assistance programmes with low training content, notwithstanding the uncertainty of their overall impact, seem to have produced significantly positive effects on the beneficiaries who had previously been the least integrated. On the other hand, they could produce negative, stigmatising effects on the other categories of beneficiaries. Conversely, programmes offering greater training content had positive effects on the oldest beneficiaries and those with recent work experience. But they had little or no effect on the beneficiaries who were the least integrated before the programme.

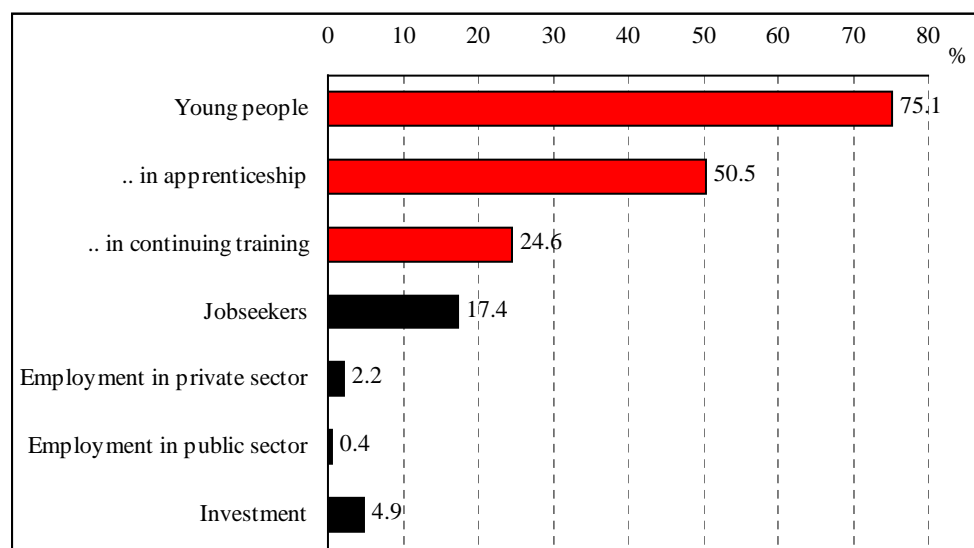
## 2.3. Training

### *Training courses*

The regions have spent 3.2 billion euros on continuing vocational training and apprenticeship, three-quarters of which has been devoted to young people (Fig. 5). This proportion increased slightly with the gradual transfer of apprenticeship to their authority: between 2004 and 2005, the regions' expenditure on apprenticeship increased by 25 percent and now represents half of the total outlay.

In 2006, 224,000 young people under age 26 who were entering the labour market benefited from training funded by the Regional Councils. We do not have figures permitting the identification of those without diplomas. In addition, each Regional Council may develop its own schemes in function of its priorities (see boxes on Île-de-France and Poitou-Charentes).

Figure 5. **Structure of regional expenditure by beneficiary public**



Source: DARES.

Data specific to young people without diplomas is also lacking for the other main funding sources but it is likely that the training programmes funded by the unemployment insurance scheme (UNEDIC) do not often concern them, given that the large majority of young jobseekers do not receive unemployment compensation benefits. Similarly, the company-funded continuing vocational training of employees is not directed first and foremost at those with the least qualifications.

In 2006, the National Association for Adult Vocational Training (AFPA) received 81,000 young people under age 26 for help in defining a career plan; this ground

amounted to 31 percent of the total number of individuals referred there by agents of the national employment service (ANPE). In addition, 45,000 young people entered a training programme, which constituted 29 percent of the total number of entries into training. Here too, we have no detailed information on the diploma level of the young people concerned.

#### Activities of the Île-de-France Regional Council

The ‘Youth Prospects’ (*avenir jeunes*) scheme includes integration measures benefiting in very large majority (80%) young people without diplomas. Budgeted at 55 million euros (35 million € for operations and 20 million € for remunerations), this scheme offers about 20,000 places each year. On the average, activities last 400 hours, or roughly 3 or 4 months. There are three main kinds of activities:

The **vocational mobilisation pathways** are aimed at helping the young people develop a career plan. They begin with an audit of their levels in order to evaluate their training needs. The resulting pathways allow them to improve their basic knowledge, broaden their career choices and familiarise themselves with the company environment while taking their personal difficulties into account. At the end of the pathway, the participant should be able to enter training leading to qualification (or preparing for such training) or find a job directly.

**Language classes and introductions to basic skills** allow the young people to acquire necessary skills in these areas. They mainly concern young people who are not native French-speakers and those who are unable to read or write.

The **pathways in dynamic integration spaces** are organised in partnership with the General Councils (of the *départements*), the Child Protection Office, the municipalities and local community organisations. These spaces work towards a re-socialisation of the young people in greatest difficulty so that they can then enter the other schemes, such as the mobilisation pathways.

The Regional Council has also set up ‘gateways to apprenticeship’ (*passerelles vers l’apprentissage*) for young people lacking the basic skills and behaviour necessary for entering a company. The goal is to provide young people without qualifications preparatory training which will allow them to gain access to apprenticeships otherwise closed to them.

Two kinds of long-term bridges are offered to young people in difficulty, both of which give them the status of vocational trainee. One of these is intended for young people at Level VI, aged 16 and over, who do not have the basic skills necessary to obtain an apprenticeship contract. It has a maximum duration of 1,000 hours per young person and per year.

The other, set up in partnership with the education system, is intended to provide individual support for young people during the year after their exit from the school system. It is addressed solely to young people referred by the MGIs. The education system covers the portion of the training taking place in the schools and the region covers the part in the apprentice training centres (CFAs). The maximum duration of coverage in the CFA is 700 hours.

### A second chance in the Poitou-Charentes region

In 2005, the Regional Council had already implemented an emergency plan for the young people farthest away from employment (5 million euros, 2,700 places and a maximum of 450 hours). The Regional Training Plan was adopted in June 2006.

#### For a second chance

When young people leave school without qualifications, the Regional Council seeks to give them a new opportunity, notably through apprenticeship. In five years, 2,500 **Passports for apprenticeship** have helped them in the search for apprenticeship contracts.

The funding of local youth missions helps to increase the number of young people re-entering a training scheme such as the Regional Training Plan's preparatory training activities and those leading to qualification. To meet the needs of the publics in greatest difficulty, specific schemes have been created in consultation with the social partners and training intermediaries.

- **The Regional Programme for Access to Qualification (PRAQ)** is intended to give young people in great difficulty access to a qualification in two years, with employee status.

- **The 'Quart Avenir' (Neighbourhood Future) Programme**, in partnership with the AFPA, targets young people from disadvantaged areas. The only prerequisite for benefiting from it is that the young person agrees to enter training.

- **The 'Engagement 1ère Chance' (1<sup>st</sup>-Chance Commitment) scheme** draws on professionals and targets young people who have left the school system without qualifications less than three years earlier. It permits the development of a pathway leading to a professionalisation contract.

The regional assembly has also decided to increase the remuneration of any young person entering a training course leading to qualification (the remuneration is then equal to an apprenticeship wage) and to provide a benefit (153 €) the first month to any young person undertaking such training in order to avoid the situations of extreme precariousness which might lead them to abandon the programme.

Several individual regional vouchers have also been introduced:

- *Qualification vouchers* for jobseekers aged 16 to 25;
- *Resumption of studies vouchers* for jobseekers who have left initial education and training within the past year;
- *CAE vouchers* for the integration into employment contract set up by the Regional Councils in local schools and apprentice training centres.

### *Second chance training*

The 'second chance' schemes which focus on remotivation and training merit separate discussion here. The 'Second Chance School' in France is comprised of fifteen schools in twelve different regions and takes in four thousand trainees each year. The government's 'suburbs plan' presented in February 2008 anticipates an extension of these schools.

### The Second Chance Schools scheme

The Second Chance Schools are aimed at combating exclusion. They are a European initiative presented at the Madrid Summit of Heads of State in December 1995 and subsequently adopted by the Ministers of Education of the EU member states. The scheme is inspired notably by the accelerated schools programmes. Their methods of operation are intended 'not to repeat what led the young people to school failure'. There is considerable attention paid to the trainees' social situation and their feeling of exclusion. Active teaching methods are used and companies are associated with the training effort from the outset.

Each school is expected to adapt to its territory and its institutional and economic context in order to mobilise all the actors adhering to its founding principles. The success of the project is based on three essential conditions:

- The young people should enter the scheme voluntarily and become 'actors' in their integration;
- The Second Chance Schools accept the young people as they are, with no criterion other than their motivation; the pedagogy is based on both personalisation and collective dynamics and opens up possibilities for success;
- The companies' role and involvement in the scheme is determinant.

The pathway is personalised and based on alternating training. Each young person becomes a trainee in alternance, with a remuneration varying, depending on his or her family situation, between 300 and 600 euros. The duration of the pathway ranges from six to twenty-four months; the standard pathway is nine months but in practice, the average length is about seven months.

The experience in the company, which begins with the first weeks of training, is handled gradually, so as not to destabilise the students or the host companies. The direct confrontation with the world of work constitutes a reality principle which is indispensable for structuring the career plan. The young people's induction period is capital: upon their entry, they make an audit in order to bring out all the skills they possess. On that basis, one or several career plans are then developed.

The personalisation of the pathways calls for teaching in small groups (12 trainees); each student, moreover, benefits from individualised follow-up by a single 'counsellor'. The instructors, who are multi-skilled, are employed under contracts subject to private law for a thirty-nine-hour work week.

Similarly, the Defence Ministry initiative EPIDE (Établissement public d'insertion de la Défense), created in August 2005, is intended to further the social and vocational integration of young volunteers facing problems at school, with neither qualifications nor employment and prey to marginalisation. It includes 22 centres and receives 1,800 young people a year.

### EPIDE

The young person signs a 'volunteer for integration' contract lasting six months and renewable a maximum of three times. The duration of the programme thus ranges from six to twenty-four months (one year for 85% of the young people in the scheme). It proposes activities for remotivation and acquisition of basic skills and vocational qualifications, including company internships.

One of EPIDE's special features is that the programme is residential and the young people receive an allowance of 300 euros a month, half of which is paid on a monthly basis and the other half capitalised and transmitted at the end of the programme.



## 2.4. Social

**support measures** Many young jobseekers are faced with precarious incomes without being able to benefit from adequate assistance from their families. Their difficulties often constitute a major obstacle to an efficient job search or participation in training. Helping them reduce these difficulties also helps them to advance towards employment; in this context, it is necessary to consider the question of the regular resources they should be able to count on. We shall return to this point in the discussion which follows.

Social support measures for these young people are mainly the responsibility of the *départements* through the youth assistance funds (FAJ). Three-quarters of the requests are processed by the local youth missions and PIAOs.

The youth assistance funds, financed by the state and territorial authorities, were set up in 1989 and extended throughout France in 1992. Their objective is to provide assistance for the realisation of an integration plan to young people aged 18 to 25, whether French or foreign, who face integration problems and have little financial resources. The assistance provided may be individual (financial aid, support measures for the integration process or plan) or collective (vocational training, driving licence preparation courses, activities aimed at helping the young people with the greatest difficulties to obtain greater social independence through participation in a collective project). This scheme was reinforced by the TRACE programme mentioned above.

Until 2004, the FAJs were jointly funded by the state and the *départements*. The law of 13 August 2004 on local freedom and responsibilities decentralised their funding and management to the *départements* alone as of 1 August 2005. As is often the case, this decentralisation has had the negative consequence of no longer permitting an adequate vision of the activities undertaken. The latest available statistics date from 2004.

That year, assistance was provided to 103,000 young people aged 18-25, a majority of whom were young women. Forty-seven percent of them had no resources; 93 percent were no longer in school and a growing proportion were unemployed (56%). The aid provided by the FAJ averaged 213 euros. In one out of two cases, it was requested for living expenses; in 30 percent, the reason invoked was transport.

The patterns of utilisation varied from one *département* to another. Out of the seventy-four *départements* studied, four groups were distinguished. Sixteen of them, mainly urban, most often favoured assistance for means of subsistence. Another group of twenty *départements* allocated a considerable share of the assistance to the funding of transport expenses or covering an awaited payment. In eighteen *départements*, the FAJ was concentrated on training activities. And a last group, close to the preceding one, was set apart by a greater variety in the aid attributed (Nivière, 2006).

Certain *départements* go still farther. Loire-Atlantique, for example, offers an intensive personal support scheme in addition to financial aid. Several *départements* in Aquitaine have signed a co-operation agreement along these lines with the region, the state and the local youth missions.

## 2.5. Income for the young people?

### *Unemployment compensation*

Young people have less access to the unemployment allocation than adults to the extent that their often discontinuous transition pathway does not give them substantial rights under unemployment insurance. Thus, in 2005, 290,000 young people under age 25 received an unemployment allowance (including the solidarity scheme), which amounts to 12 percent of the allowances. At the same date, however, young people represented 27 percent of the total unemployed (as defined by the ILO).

When they participate in training programmes, young people have the status of vocational trainees and as such, receive the sum of 650 euros a month if they can demonstrate six months of activity during the previous twelve months. Otherwise, the sum is 339 euros for a young person aged 21 to 25. For those in a CIVIS programme, the local mission can provide them with an allowance for the periods of their contract when they are neither in training nor in employment (see above).

If need be, young people can also benefit from financial support from the *départements* through the youth assistance fund (FAJ) or from the state through the fund for the vocational integration of young people (FIPJ).<sup>6</sup> The latter permits direct financial assistance to young minors not eligible for the CIVIS allowance or FAJ. This aid is rarely issued in cash form. Last of all, as already indicated, young people cannot receive the minimum income benefit (RMI), which is only accessible at age 25.

In other European countries, guaranteed income may exist for young people (Table 8). It is paid as of a minimum age, generally 18 years. The amount varies depending on whether the young person is living with his or her parents or not. In return for such an allocation, the young person has obligations to participate in back-to-work programmes.

When the RMI was set up in 1988, French lawmakers considered that it should not be made accessible to young people leaving initial education and training for fear that receiving such income would discourage them from actively seeking a job. This position has been maintained ever since. But as we have seen, the argument has not been upheld in other countries which apply the minimum income benefit once the legal age of adulthood is reached.

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<sup>6</sup> The FIPJ is primarily managed by the devolved services of the central government, with one part of the funds reserved for national programmes. Its use varies across regions and *départements* but it funds three main kinds of activity: direct financial aid to young people, whether adults or minors, in order to ensure their pathways; indirect aid through actions carried out by intermediary operators; support for innovation and experimentation.

Table 8. Young people's access to guaranteed income in Europe

	Minimum age	Single person w/o children (euros per month)
United Kingdom	18 years	282
Finland	18 years	389 (living with parents: 284)
Sweden	No limit	385
The Netherlands	21 years	588
Denmark	18 years	- 25 years living with parents: 374 - 25 years: 774 + 25 years: 1,201
Belgium	18 years	644
Italy	No limit	232
Ireland	18 years	805

Source: Missoc, 2007.

Eligibility for an allowance creates incentives for entering rapidly in contact with the institutions in charge of organising the jobseeker support schemes, whereas in the French situation, there is often a considerable delay before this contact is made (see above), during which time the young people's problems worsen.

In January 2008, the social partners signed a national multi-industry agreement on the modernisation of the labour market which is in the process of being transposed into law. It provides for the allocation of a fixed benefit to unemployed persons under age 25, funded by UNEDIC in conditions to be defined within the framework of the next unemployment insurance agreement.

### 3. Co-ordination among actors

The effectiveness of personal support for young people without diplomas in the transition towards employment depends on the close co-operation of the different actors. The foregoing analyses have indicated that this is not always the case, because of divergences among their own priorities. But beyond this problem, it is necessary to bring out systemic difficulties.

One of these has to do with avoiding the breaks caused by inadequate follow-through (exits from initial education and training) or poor sequences of actions to be implemented in a transition pathway. This problem is aggravated by the management of the calendars proper to each institution and the annual basis of the budgets.

In the field, meanwhile, the actors' different geographical areas of jurisdiction is an obstacle to their co-ordination: the local missions do not cover the same territory as the local employment agencies, the unemployment benefits office (ASSEDIC) or the employment centres (when these exist). The *départements* do not have interlocutors of the same level at the national employment agency (ANPE) and so on. The Regional Council has an ad hoc zoning for training, which is different from that of the ANPE's territorial teams or the employment area defined by INSEE. All of this leads to a diagnosis which is hardly coherent, much less shared.

This situation leads to relatively high co-ordination costs and a loss of efficiency.

Thus, a local youth mission visited by the CERC related an example of failure in the building trade, where training is expensive (because of the utilisation of the machines). A private training centre proposed high-quality courses. A group of young people without diplomas (40) and companies agreed on a pathway leading to qualification in the building trade with recruitment at the end of the line and the training body was ready. The local mission had envisioned a vocational refresher pathway followed by training in a private institution but the school's pay rate for training (15-20 euros per trainee hour) was much higher than that of the public budget (6-7 euros). The local mission thought it could mobilise funding from both the Regional Council and the ANPE's plan for access to working life (PAVA). But this was not possible because the budget headings, and the respective time frames for negotiating, were different.

When it works, institutional co-operation can lead to innovations (like the 'Young people, jobs, mobility' association set up in the Rhône-Alpes region to combine seasonal jobs in mountain and seaside tourism in order to provide the young people with year-round employment). But the desired solutions may also fail to materialise because of this complexity. And it must also be stressed that the institutions' reaction times do not correspond to that of the young person in difficulty.

## CONCLUSION

By way of conclusion, it is necessary to go back over the objectives of public policy aimed at young people exiting initial education and training without diplomas. As long as the rate of school failure remains as high as it now is in France, public policies will have to devote considerable means to supporting low-skilled employment in general and the job entry of young people without diplomas in particular. For the latter, the objective cannot simply be helping them to find a job; it must also be allowing most of them to regain confidence in themselves and achieve a formal qualification, at the risk of seeing them remain in a lasting situation of precariousness otherwise.

It is from the standpoint of these objectives that policy instruments must be evaluated and developed. Thus, attention has been drawn to the virtual impasse represented by the orientation towards subsidised contracts in the non-market sector, which also include a weak training component. This cannot be the most efficient pathway for ultimately arriving in a non-subsidised market-sector job.

It is also in function of these objectives that the actors must be evaluated. Thus, the issue is not so much that of giving the MGIs a goal of return to training, but of measuring the frequency of those who, once they have returned, manage to obtain a diploma at the end of their training. Thus, it is legitimate to evaluate the local missions' activity on the basis of the frequency of access to a sufficiently lasting job but it is also necessary to consider the time needed for this access and the specific difficulties of each young person. And it is also necessary to adapt the instruments so as to permit the development of these pathways over time. The one-year duration of the CIVIS scheme, even if it is renewable, remains open to question.

The volume of early school-leavers (ISCED 0-2) seems to be quite variable across Europe, as are the public policies implemented. The overview which follows will serve to bring out certain common features as well as to place the findings presented in the previous chapters in perspective. Three appendices present the cases of Sweden and Finland, which have placed the emphasis on the prevention of school failure, and that of the United Kingdom, which, on the contrary, has a high percentage of young people leaving school without adequate qualifications and has developed specific programmes under the New Deal for Young People.

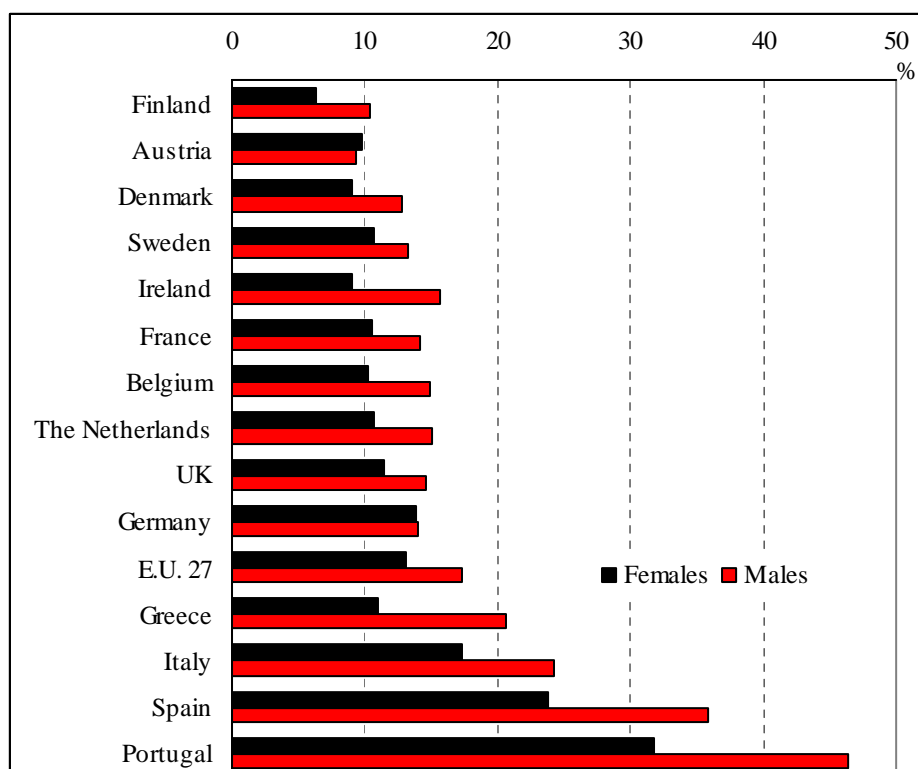
The national education systems are specific to each country and their linkages to the job market differ as well. And from one country to another, public policies offer different treatments of the employment access of young people at ISCED 0-2, notably in terms of the desired objectives and the principle means of addressing the problems.

### I. EARLY SCHOOL-LEAVERS

Following the Lisbon summit (2000), the European Union defined two objectives with regard to early school-leavers, one dealing with the reduction of the percentage of early school-leavers (ISCED 0-2) and the other with the portion of the latter who do not pursue education or training (cf. Chapter A). The OECD, meanwhile, focuses on the first indicator.

In both cases, France occupies an average position (in 2006, 12.3% for the first and 17% for the second), while the Scandinavian countries show the best performances.

Figure 1. Young people aged 16-24 at ISCED levels 0-2 not in education or training during the previous month in 2006



Source: Eurostat, LFS, 2006.

## 1. Influence of the education and training system

The first lesson to be drawn from the international comparisons is that expenditures on primary and secondary schooling are not strictly correlated to the average educational level attained, or the volume of early school-leavers. Systems which practice early streaming and those where repeating classes is frequent produce more failures (GHK, 2005; OECD, 2000; OECD, 2003).<sup>1</sup> The effect of a diversified provision of initial vocational education and training is less clear: everything depends on the subsequent professional value of the certifications delivered and the method of selecting the students who enter such programmes (i.e., by failure or career choice).

On the first point, provision which is determined in consultation with the companies, in relation to the needs of the local labour market, or curricula defined jointly with the social partners, as is the case in Germany, Denmark and The Netherlands, seems more suitable than the French practice. In France, the social partners are only consulted on the definition of the diplomas, while provision is regulated solely by the public authorities, with no close links to the companies or sometimes even to the outcomes in terms of access to employment.

More specifically, the countries with the least failures attribute this outcome to a combination of factors. Thus, the Finns (Väljärvi and al., 2007; see also Appendix 1) attribute their success to:

- Good territorial coverage of the initial education and training system;
- Flexible curriculum, with decentralised management;
- Ability to handle heterogeneous groups without exclusion.
- Early identification and appropriate remedial measures for students in difficulty;
- Investment in high-quality teacher training, notably in order to handle the preceding point;
- Individual guidance counselling;
- Monitoring of school outcomes.

In The Netherlands (*Jobs for Youth*, OCDE, 2007), within the framework of the 'Blits on dropouts' programme, vocational schools are made more responsible for their proportion of young people in failure situations and each municipality sets up an Early School-Leavers Regional Reporting and Co-ordination Centre.<sup>2</sup> Furthermore, the schools are also required to inform local authorities of young people under age 23 without diplomas or absent from training programmes for more than a month.

## 2. Characteristics of young people in failure situations

In all the European countries, as is the case in France, the families' economic, social and cultural situations have an influence on the risk of early school-leaving (EGREES, 2005). However, the failure risk of socially disadvantaged young people is less in some countries (Finland, Sweden) and more pronounced in others (Belgium).

<sup>1</sup>. Such early streaming is to be found in Germany, where the selection for the three streams of secondary education takes place at age 11 (and only the most selective stream permits access to university). This is also the case in The Netherlands.

<sup>2</sup>. These centres link up educational establishments, local authorities, employment intermediaries and the Centre for Work and Income (CWI), which is the first contact for jobseekers.

It is therefore useful to look more closely at the factors which may aggravate or, on the contrary, reduce the influence of the family contexts. Several possibilities may be suggested. First of all, as we know, the early childhood environment has considerable influence on the entire educational pathway. Esping-Andersen indicates that countries like those of Scandinavia which have a widespread system of collective childcare and early childhood education (crèches, including family crèches, kindergartens, etc.) are the ones which permit the greatest reduction of negative consequences on the cognitive abilities and socialisation of children born into socially disadvantaged families (Esping-Andersen, 2004; Esping-Andersen and Palier, 2008).

In countries where educational differentiation occurs early on (such as Germany or Austria), the failures are concentrated more severely on the least socially advantaged young people. It appears, moreover, that this factor is reinforced when the different streams are not located in the same schools, which reduces the positive influences of students in the most academic programmes on those in short vocational programmes (Traag and van der Velden, 2008).

Ethnic minorities are more exposed to school failure, as is notably the case in The Netherlands and the United Kingdom (GHK, 2005).<sup>3</sup> But some studies bring out that this outcome results, as in France, from the families' disadvantaged situations; once the influence of these factors is discounted, the educational attainment of children from immigrant families is in fact somewhat better than that of other young people (Traag and van der Velden, 2008).

## II. EARLY SCHOOL-LEAVERS AND EMPLOYMENT

The school-to-work transition does not take the same form in all countries (Ryan, 2001; Gautié, 1995; Lefresne, 2003; Müller and Gangl, 2003; Couppié and Mansuy, 2004).

### 1. Distinctive transition systems

The school-to-work transition may occur earlier or later, and the time required is quite variable (Quintini, Martin and Martin, 2007). In countries with occupational markets (Austria, Germany, Denmark, The Netherlands, Switzerland) (see box), the transition is easier because it is in some ways regulated (Garonna and Ryan, 1989; Gautié, 1995; Müller and Gangl, 2003; Lefresne, 2003).

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<sup>3</sup>. This is also observed in North America (for Blacks and Hispanics in the United States and Inuits in Canada, cf. Kamerman and al., 2003).

### Occupational markets and youth employment

When occupational markets are dominant, initial vocational education and training is preponderant and it is developed through consultation. Employers appreciate the vocational qualification for its productive value, which justifies a strong commitment on their part in the construction of the curricula but also in the young people's preparation for these qualifications in apprenticeship or alternating training.

Young people with formal vocational qualifications are thus in a privileged position, even when their experience is limited. The qualification is transferable to the whole of an occupational field and mobility between companies is thus potentially high. Remunerations are tied to individual qualification and increase with the certified acquisition of new skills, but they show little increase with seniority.

In this kind of market, entrants with recognised vocational training are taken directly into the occupational segment corresponding to their qualification. At equivalent qualification levels, their employment conditions and unemployment rate are quite similar to those of experienced workers. These features are found in Denmark, but also in Germany and Austria, where this form of labour-market organisation predominates (Couppié and Mansuy, 2000).

The vocational education and training system of these countries, which yields good transition outcomes, cannot easily be exported, however, because the institutional conditions behind its success are very specific. At the same time, even if apprenticeship is still quantitatively important in Germany (one-third of young people go through it), it tends to be declining (Misep, 2006): there is a growing disparity between the young people's expectations and those of the companies, and young migrants have difficulty integrating the system.

In the other national configurations, the over-representation of young people in unemployment is more pronounced, with considerable volume in some countries (Quintini, Martin and Martin, 2007). If we compare the unemployment of the 15-24 age group with that of the 25-54 group in 2005, Germany and Denmark are the only countries where the first is less than two times the second. The ratio is nearly 3.5:1 in some countries (UK, Sweden, Italy), compared to 2.5:1 in France.

The countries of Southern Europe are characterised by the considerable disadvantage of young people. In Greece, for example, one year after the end of their studies, 80 percent of 15-to-24-year-olds without diplomas were not in employment (Source: ECHP, 1997-2001).

Even outside the occupational markets, early work experience during studies seems correlated to an easier entry into employment. In this respect, France, with its fairly sharp break between initial education and training and employment, is not very well placed (CERC, 2006).

## 2. Difficult access to employment

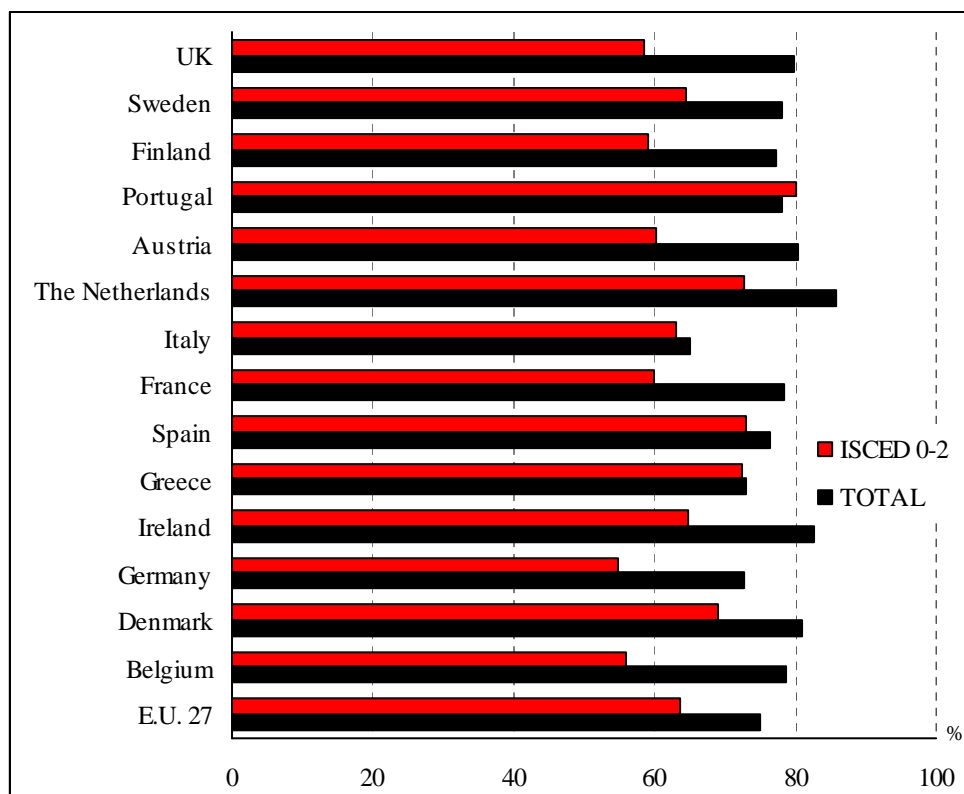
In their comparative study of France, the UK and Germany, Brauns, Gangl and Scherer (2003) demonstrate the difficult situation of early school-leavers in all three countries. Throughout Europe, the employment rate for these young people is considerably lower than that of others (unlike the United States). The number of female early school-leavers who are out of employment is particularly large.

The effect of the training level on the employment rate appears particularly strong in Germany, France, Finland and Sweden. Figure 2 compares the employment



rate of young people at ISCED levels 0-2 and young people as a whole aged 25-29. This age bracket allows us to compare the situation of young people who have for the most part completed their initial training and education.

Figure 2. Employment rates of young people aged 25-29



Source: LFS, 2006.

### 3. More precarious jobs

Early school-leavers encounter greater difficulties in access to employment. In addition, the jobs they hold are of lower quality (except in Italy, Greece and Portugal, where the higher training level does not improve job quality). Indeed, they are most often hired with precarious status in low-skilled positions. The question then arises as to whether, and to what extent, such jobs are stepping-stones towards future stabilisation or traps for ongoing precariousness.

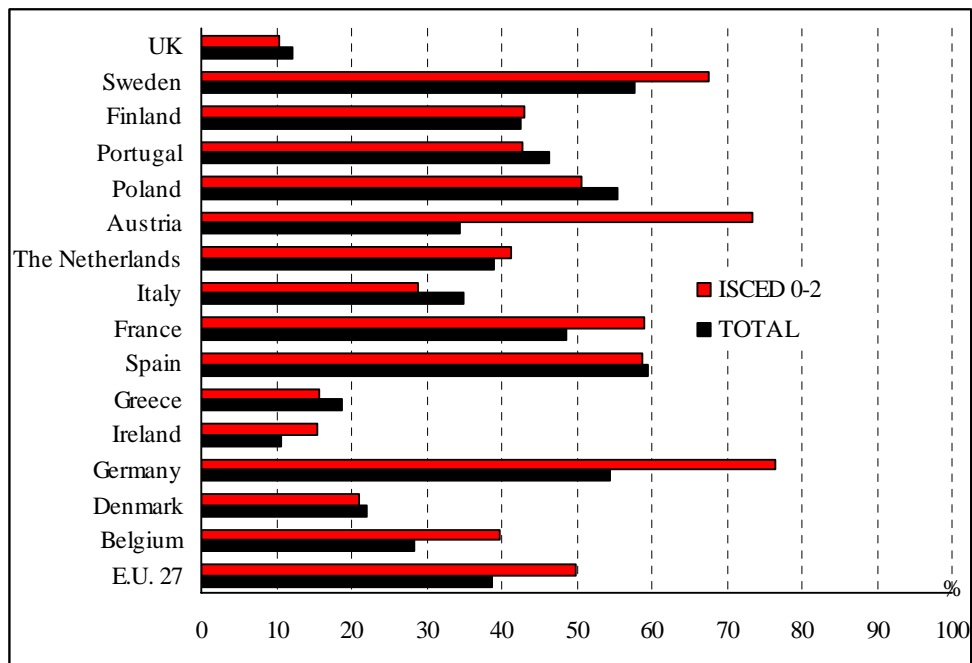
Temporary employment is frequent among young people (Quintini, Martin and Martin, 2007, and Fig. 3). This is especially true in Sweden, France, Spain and Germany, where these jobs predominate for young people. In France and Sweden, young people at ISCED 0-2 are more often employed on fixed-term contracts than the others.

However, in the countries with a large proportion of temporary jobs, it decreases with age (Quintini, Martin and Martin, 2007). We cannot therefore conclude that young people face a widespread precarious-employment trap.

In the French case, moreover, if we compare recently hired young people and adults, the proportion of temporary jobs in both groups is much closer than for the whole of persons in employment (Fondeur and Minni, 2006). This suggests that if young people's jobs are frequently temporary, this is due above all to the fact that

they are often new hires and the situation gradually improves as their in-company experience increases.

Figure 3. **Percentage of fixed-term jobs within total jobs for young people aged 15-24 (2006)**



Source: LFS, 2006.

Support measures for the employment of young people have been developed in most European countries over the past twenty-five years. These consist of schemes encouraging recruitment in the market sector, or subsidised jobs in the non-market sector, or training programmes. Certain schemes combine training and work experience, such as the professionalisation contracts in France.

### III. PUBLIC POLICIES FOR YOUTH EMPLOYMENT

In certain countries, priority is given to intervention early on, through the prevention of school failure. In that case, employment policy aimed at young people only intervenes as a complement and it is adjusted to fluctuations in the economic situation. This is the case in the Nordic countries.

In other countries, on the contrary, notably in France and the UK, there is considerable public intervention down the line from the educational system. Assistance schemes for the employment of young people are a structural element of the school-to-work transition, which has led to the description of this form of transition as an 'encouraged' integration regime (Gautié and Lefresne, 1997).

### 1. Priority for the struggle against school failure in Scandinavia

In some countries, the struggle against the unemployment of early school-leavers entails above all the reduction of school failure and the rate of non-graduates is very low. This is the case in Denmark, where young people receive monthly vouchers in order to be able to resume their studies while remaining financially independent. The education allowance represents 0.8 percent of the Danish GDP, moreover. Half of Danish 20-year-olds have left their parents' homes (Van de Velde, 2007).

In Sweden, the education system underwent an in-depth reform during the last decade in order to raise the educational level of the young population even more. School principals have much more room for manoeuvring (selection and career monitoring of teachers) and the establishments' means depend on their outcomes in terms of student attainment. This strategy of preventive intervention is recommended by many analysts (e.g. Quintini, Martin and Martin, 2007).

Such an approach is complemented in Sweden by training for adult early school-leavers at high-school level and above. Each year more than 200,000 adults participate in these programmes, which are financed by the municipalities and subsidised by the state's budget.

#### *Scandinavian 'youth guarantees'*

In Finland as well, emphasis is placed on educational policy in order to avoid exits without diplomas as much as possible (see Appendix 1). The Scandinavian countries offer 'youth guarantees' organised by the municipalities (since 1984 for Sweden, 1996 for Denmark and Finland). These consist of training programmes or subsidised jobs provided in the context of an individual support plan beyond a certain period of joblessness (100 days for young people aged 16-24 in Sweden). As of age 25 in Sweden, young unemployed persons, like older adults, come under the activation programmes of the public employment service (PES).

Compared to the PES schemes, the youth guarantees do not seem very effective (Forslund and Nordström Skans, 2006). Indeed, PES follow-up (at age 25) permits them to exit unemployment more easily and ensures higher future income and less recourse to social assistance. But no explanations are advanced beyond this observation.

When we compare the different forms of activation offered by the PES, there is less contrast. Practical in-company internships permit more rapid employment but as of the second year, training has more favourable effects on employment and income, and there is less recourse to social assistance. The PES activation programmes appear to work better for young people than for adults.

On the other hand, Stenberg (2007) brings out a positive effect on wages for general adult education at upper secondary level provided in Sweden. The majority of participants in such programmes apparently increased their wages. The author notes that in order to obtain a positive outcome, the training should last at least one semester and concentrate on fields such as computer science and healthcare (Stenberg, 2007).

Contrary to Sweden, certain youth programmes in Finland (subsidised private-sector jobs, training courses) improve participants' access to employment and future income (Hämäläinen and Ollikainen, 2004).

### **2.1. The New Deal for Young People in the United Kingdom**

These programmes were introduced in the UK in 1998 for young people in unemployment for more than six months (Gratadour, 2005; see also Appendix 3). According to available evaluations, they have had an overall positive effect on the subsequent employment of the young people concerned (Blundell and al., 2003; Wilkinson, 2003). All the options do not have the same worth, however, in terms of the probability of exiting unemployment (Dorsett, 2004).

The option of subsidised employment is the most favourable to a new job placement. Dorsett notes that in terms of job prospects, that it is even in the young person's interest to prolong the initial 'Gateway' period rather than entering one of the other programme options (full-time training, work experience with either the voluntary sector or the Environment Task Force).

A selection effect is observed at entry into the options most favourable to later employment. The most disadvantaged young people are directed towards the options of non-market employment or training, which offer few prospects of permanent employment afterwards. In addition, they are more likely to live in former industrial areas undergoing redevelopment, where job opportunities are scarcer (Glyn and Wood, 2000). All in all, at the end of the programme their situation is less favourable than that of young graduates (Beale, Bloss and Thomas, 2008).

### **3. What is to be learned from available evaluations?**

Overall, micro-economic evaluations of training schemes and specific programmes aimed at early school-leavers conclude that the effects are null or negative. It is necessary, however, to stress the limits of available evaluations and the absence of macro-economic evaluation of training schemes.

For Martin and Grubb (2001), training schemes have a mixed, and sometimes even negative effect. Evaluations based on American data show that training programmes do not have positive effects (Heckman, Lalone and Smith, 1999). In Europe, Larsson (2000) even considers that such measures have negative effects.

Martin and Grubb's review of the literature is also far from optimistic about the effects of specific schemes for young people, whether training or subsidised jobs. The authors note, however, several examples of youth programmes assessed as effective: the Job Start scheme in San Jose, California, for example, seems to have been beneficial for the most disadvantaged young people. They also cite the New Deal for Young People in the UK, as well as Danish programmes and subsidised market-sector jobs in Ireland.

Drawing on these positive experiences, the authors identify several prerequisites for effective youth programmes. They should combine training and work experience, with personalised support for the young people and their families. The interventions should be early and sustained. The young people's negative attitudes towards work should be transformed. Adult coaching may be beneficial.

### The micro-econometric techniques used in the evaluations

In the absence of controlled experiments, the evaluations use non-experimental methods. The most common is that of double differences. The situation of the individuals participating in the scheme is compared to that of a control group with similar observable features. The validity of the method depends on a strong hypothesis, namely that the difference in outcome observed between the two groups would result uniquely from participation (or not) in the scheme.

Brodaty, Crépon and Fougère (2005), meanwhile, use the matching method. Here, the question of selection bias is not dealt with, as might be the case in a controlled experiment. However, it permits the observable individual features to be rendered independent of the result of the participation in the scheme. In this sense, this method is more appropriate than the other non-experimental ones (Fougère, 2008). It also permits dealing with a variety of competing states and not simply a binary opposition between participation/non-participation in the scheme.

Quintini, Martin and Martin (2007) note the importance of a rapid start for activation programmes: it is immediate for early school-leavers in Finland, within three months in Sweden and six months in the UK. The authors insist on the necessary targeting of the programmes, which are very costly, and on the fact of giving priority to a rapid (re)entry into employment. In their view, the job-search assistance programmes, combined with complementary services, offer the best cost-benefit ratio. The commitment of the social partners and public authorities, the quality control of the training and the certification of skills acquired also go in the right direction. They note two failings of youth programmes: their high cost and their lack of effectiveness for the young people with the most problems (the New Deal for Young People in particular). In this case, they bring up the idea of residential programmes, supported by a successful example in the US.<sup>4</sup>

Caution is necessary, however, in transposing findings of evaluations carried out in other countries. Martin and Grubb (2001) thus identify difficulties relative to the programme evaluation:

- The instability of the measurements makes evaluation difficult;
- The findings presented generally privilege short-term effects;
- Findings tend to be expressed in terms of future individual income or back-to-work prospects, while social effects receive little attention;
- What works on a small scale cannot necessarily be transposed or generalised;
- Evaluations are usually carried out by public institutes, thus raising a problem of independence.

In general, the evaluation indicates what works and for whom, but not why the programmes function for certain groups and not for others. This makes its utilisation difficult for assistance in decision-making.

The evaluation of training programmes also raises delicate problems. The externalities of education and training are difficult to apprehend. Gurgand (2005) notes that the empirical demonstrations of such effects are recent and few in number. Some of them back up early intervention in favour of children (Carneiro and Heckman, 2005). In the case of adults, however, even young ones, the non-market effects of training are especially difficult to isolate and quantify.

<sup>4</sup>. On this point, cf. the EPIDE second chance programme described in Chapter C above.

For his part, Fougère (2008) offers several leads for improving the evaluation of public employment-assistance programmes:

- Distinguishing the different kinds of schemes and their potential sequencing;
- Judging the effects on a whole group of variables and not only on employment (this echoes Martin and Grubb);
- Not limiting the evaluation to the observation of the beneficiaries but also studying the employers' behaviours.

The weakness of the initial educational capital of early school-leavers is not compensated for by greater access to continuing training. Across all the European countries, it is just the opposite: former drop-outs receive less training than graduates (GHK, 2005).

#### **4. What kind of second chance?**

There are 'second chance' programmes for return to education and training in many countries but we have little data concerning them. In the UK, there is modern apprenticeship in the company, offering vocational certifications at ISCED level 3 and higher. The British young people exiting school without a diploma in the mid 1990s and subsequently obtaining a vocational diploma at ISCED level 3 entirely made up for their handicap in employment access relative to their peers with diplomas at the same level in general education (A-Levels).

Those with a Level 2 vocational diploma partly catch up to graduates with a General Certificate of Secondary Education (GCSE) in terms of employment rate. On the other hand, their hourly wages remain lower (McIntosh, 2004).

## THE EDUCATION SYSTEM

The Finnish education system is divided into three stages:

- basic education, which includes the primary and lower secondary levels
- higher secondary education, in the high school or vocational schools, possibly through apprenticeship
- higher education, composed of university degree programmes

### *Few early school-leavers*

Finland is characterised by a low rate of early school-leavers. Nearly all young people (99.7% in 2005) complete compulsory education, which goes from 7 to 16 years of age. A generation includes about 65,000 young people (Ministry of Education, 2006). Only a hundred or so students a year leave basic education before the end (Julkunen and Öhman, 2005). Only 7 to 8 percent of young people do not continue their schooling directly after compulsory education. Among those who leave the school system at upper secondary level, some continue their studies without interruption but in different fields; others enter the labour market and others resume their studies later on.<sup>1</sup>

These percentages make Finland the country of the EU15 where the rate of early school-leavers is the lowest. As we can see from the PISA surveys, it is also one of the best for skills levels measured at the age of 15-16 years.

This low rate of early school-leavers may be explained by the choice of a preventive rather than curative logic. Indeed, Finnish policy consists of interventions which begin early on and continue throughout schooling. They are considered the most effective and most economic way of combating failure at school. However, given the high youth unemployment rate, there are also programmes down the line from the education system which are aimed at furthering young people's access to employment once they have left school. These programmes do not specifically target young people who have not successfully completed upper secondary, but they are probably the most involved.

The fight against school failure begins at early childhood and continues throughout schooling, from basic education to upper secondary.

### *One year of pre-school education to develop learning abilities*

Finland has a highly developed system of public childcare outside of school structures. The municipalities are required to provide every child between one and six years of age with a place in a kindergarten. Children aged 6-7 can benefit from one year of pre-school either in the municipal kindergartens (for the majority of the pre-school sections) or in school (Ministry of Education, 2006; Finnish National Board of Education, 2006; Robert, 2008; Devos and Meskel-Cresta, 2004).<sup>2</sup> This year is intended to make the transition from childcare structure to school and develop the children's learning abilities. It is not compulsory but nearly all children (96%) participate.

### *Compulsory education with little differentiation*

Once they reach age seven, children receive a compulsory basic education, regardless of their social status, gender or nationality. The basic school has neither streams nor segregation and it is totally free of charge, including meals in the cafeteria and free transport for everyone (Roberts, 2008).

<sup>1</sup>. Upper secondary = high school or vocational school.

<sup>2</sup>. The children in pre-school receive both childcare and pre-primary education.

Basic education lasts nine years (ages 7-16). It takes place continuously in the same school, with a progressive increase in the student's independence, as well as in the student-teacher ratio. Thus, between ages 7 and 13, the course of study is the same for all students, with one main teacher for most of the subjects (Devos and Meskel-Cresta, 2004). In the last three years, students can choose optional subjects, two at age 13, six at age 14 and five at 16 (the last year of compulsory education) (Robert, 2008). These subjects, which are added to the core curriculum, are taught by teachers specialised in one or two areas. No selection takes place during compulsory education (Tondelier, 2006).

Repeating classes and dropping out are extremely rare. In principal, repetition during compulsory education is prohibited by law. It may be proposed in exceptional cases but must always be accepted by the student and the family. When a student has problems attaining the minimum level of required skills in a given field, he or she receives special assistance from a teacher in that subject, but continues the rest of the curriculum with the entire class.

The completion of basic education is not marked by a diploma but it gives access to secondary education and training.<sup>3</sup> The streaming which takes place at the end of the compulsory cycle is selective between high schools and vocational instruction.

Students who have not fulfilled all the skills requirements at the end of compulsory education may choose to study for an additional year (i.e., a tenth year) at the basic school. This option, which concerns about 3 percent of the students, allows them to consolidate their knowledge.<sup>4</sup> By allowing them to obtain the indispensable school-leaving certificate, it makes it possible for them to continue upper secondary studies. At the end of this additional year, a little more than one-third of the students succeed in entering a high school (Robert, 2008).

*Upper secondary  
education with  
differentiated  
pathways*

With the beginning of high school, the choice of subjects and scheduling becomes very complicated. But the students are well prepared for this. In fact, from the age of 13, they benefit from one-hour guidance counselling sessions integrated into their schedules every week. At age 15, these sessions are increasingly oriented towards learning how to make vocational choices. The school regularly organises individual interviews with the guidance counsellor as well and all the teachers are trained in guidance. All of these elements help students develop their programme of study. It should be noted that the freedom of choice given to the students is very gradual, corresponding to their degree of maturity.<sup>5</sup>

Students may pursue the upper secondary cycle either in high schools, where they receive a general education, or in vocational schools, which provide basic vocational education (Tondelier, 2006). In both cases, the instruction is modular. High school students compose their programmes by registering for courses listed on their school's intranet and also accessible through internet (Robert, 2008).

<sup>3</sup>. Students receive only a school-leaving certificate marking the end of basic education.

<sup>4</sup>. The students opting for the tenth year are those who have not been accepted into a high school because of poor outcomes or who have not been able to enter the vocational school of their choice. The additional year allows them to catch up in the subjects where they are too weak.

<sup>5</sup>. Optional subjects are only introduced as of age 13.



Over the three years of the high school programme, the students have to take 75 courses (or modules), 45 of which are required and the remainder totally optional. In three years of secondary vocational education and training, students must successfully complete 120 units covering a core programme of general subjects, the vocational subjects specific to each diploma and several in-company training periods.

Initial vocational education and training may also be provided through apprenticeship (Ministry of Education, 2006; Eurydice, 2007).<sup>6</sup> Students have an individual apprenticeship programme established on the basis of a core programme and vocational aptitude modules. Earlier training and work experience are taken into account for accreditation.

Training may be carried out either in a single period of time or in several parts spread over time. The apprenticeship contract ends when the training is completed or when the contract is abandoned. The minimum age is 15 years and there is no maximum age. The student must have completed basic education or the equivalent. The qualification obtained is comparable to that of 'classic' vocational education and training and gives access to other training programmes.

Whatever their programme and the formula chosen, students can thus define their curriculum in function of their aptitudes and their future study plans. They can also adapt their progress in the different disciplines according to their abilities.

*Less discouraging  
assessment  
procedures*

Given the individual nature of the pace of learning and advancing in studies, the education of groups of students depends on their own choices from the different courses offered. The idea of repeating an entire year does not exist, and students of different ages may be included in a single group level.

Before the age of 12, students are generally not graded (Robert, 2008). They receive their first grades, ranging from 4 to 10, at age 12 or 13.<sup>7</sup> In this way, basic skills can be acquired without the stress of grades and assessments, and without stigmatising the slowest students. Each student can advance at his or her own pace, and in the case of those who do not follow the 'normal' rhythm, without internalising the feeling of inadequacy which often gives rise to failures later on, as well as a poor self-image. Nonetheless, the families are kept informed of their child's progress.

In high school, the pace of assessment increases: within each module, six weeks are devoted to classes and the seventh to exams which assess what has been learned during that period. Students have to fulfil the requirements for two-thirds of the courses in each discipline studied. In case of failure, they can take a second exam; if they fail again, they can either repeat the course or take the following course while continuing to attend the one they failed. They are, however, encouraged to repeat a failed course.

Assessment practice in Finland thus seems to be guided by the principle that students are responsible for their learning; they are not constantly assessed by the teacher, and the desire to give the student a chance means that emphasis is placed on what has been acquired rather than what has not. Assessments thus serve to

<sup>6</sup> According to the Finnish Ministry of Education, apprenticeship is increasingly popular.

<sup>7</sup> There are no zeros or very low grades.

show students what they have learned and what they will have to learn in the rest of their studies (Anttila, 2008).

*Accreditation of  
knowledge and  
skills at several  
levels*

Students who complete the entire upper secondary programme receive a 'leaving certificate' (Eurydice, 2007). Those who exit secondary education without finishing the general programme receive a 'certificate of resignation' indicating the subjects and curricula completed, with the grades obtained for each subject. Students who complete one or several subjects in the programme receive a certificate for completion of a syllabus. In short, we are far from the 'all or nothing' logic of the French educational system.

*Final exam for  
secondary  
education*

The end of the general secondary curriculum is marked by a 'national matriculation examination' which is necessary for entry into university (Robert, 2008; Tondelier, 2006). It takes place simultaneously in all the high schools two times a year.

Candidates for the exam have to make two choices. First of all, they must choose the tests to be taken, with a minimum of four. That of the native language (offered in Finnish, Swedish or Sami) is compulsory for everyone. For the three other tests, there is a choice of four subjects: the second national language, one foreign language, mathematics, and a combination of all the other subjects (e.g., civics, Lutheranism, history, philosophy, chemistry, geography, etc.).

Second, they choose the level of difficulty for each of the tests they take. For mathematics, the second national language and foreign languages, tests are given with two levels of difficulty: one based on a short study programme and a more advanced one based on a long programme (corresponding to the choice of an additional optional course in the subject). Candidates must, however, take at least one compulsory test based on the long programme.

Once a test has been passed, it may be taken once again, with no time limit; the certificate indicates the higher of the two grades received. In case of failure of a required test, candidates can take it two more times in the course of the following three sessions, with the possibility of changing the level of difficulty. Should they fail an optional test, they can take it two more times with no deadline. If the matriculation examination is not passed before the official deadline, it must be taken again in its totality.

Candidates are considered to have passed the matriculation examination when they have successfully passed all the compulsory tests. The certification awarded specifies the compulsory and optional tests taken, their levels and the grades received.

This highly modular organisation permits variations according to the young person's personal plans, with gradual attainment of the outcome. And all of this takes place without the creation of separate streams.

*Early  
identification of  
young people with  
problems and  
remedial activities  
early on*

In order to make the best possible adaptation to each child's needs, and thus avoid early school-leaving, the Finnish have introduced a system of systematic early detection of learning problems and various handicaps (Robert, 2008). In collective childcare structures (ages 1-6), children are given a series of tests and are carefully observed so as to discover possible weaknesses. Teachers are trained to identify students' difficulties at an early stage.

From the beginning of compulsory education, those with the greatest disabilities go into specific classes limited to five students, where they are taught by specially trained teachers. Classes for children with 'special needs' are set up in the mainstream schools, a practice which allows these students to be integrated into 'normal' courses in subjects where this is possible.

When the difficulties are less severe, total integration into the mainstream school is privileged, with all the necessary technical means to encourage it.<sup>8</sup> Support groups are systematically organised for students facing difficulties in one or several subjects. A student needing special instruction will be entrusted to a teacher with specialised training from a one-year university programme (Robert, 2008). These teachers are present in all the schools at lower secondary level (children aged 13-17) in order to provide targeted assistance to those who have problems in one or several subjects at some time during their studies. Each specialised teacher takes charge of no more than five students for a variable period of time. Such teachers are also present in high schools and vocational schools. On the average, one student in six has recourse to them during his or her schooling. In addition, there is a psychologist, a speech therapist, a school social worker and a nurse in each school or municipality (Anttila, 2008). Measures are also taken for the most rapid possible integration of students who do not speak Finnish.

*Qualified teachers*

All teachers have a Masters obtained after five years of university studies and most of them participate in continuing training each year (Anttila, 2007; Robert, 2008). In Finnish schools, the teacher is there to help students acquire their autonomy, not to dispense knowledge; when a student is in difficulty, they consider it their responsibility to offer a solution. The teachers are the ones who choose the teaching method which seems most suited to their students (Anttila, 2008).

*Decentralised  
management and  
systematic  
evaluation*

School programmes are defined by the state (i.e., the Ministry of Education), which establishes very precise objectives in the guidelines (Anttila, 2007; Finnish National Board of Education, 2006). But the municipalities have broad powers in the area of education.

- They have the legal obligation to provide pre-school and basic education. They direct the large majority of basic schools (only 58 out of more than 4,000 are private) (Tondelier, 2006).
- They also run nearly all the high schools.
- Alone or within consortiums, they are responsible for half of vocational instruction.

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<sup>8</sup> E.g., facilities for hearing-impaired children.

- With the schools and their teachers, they organise the academic programmes in detail, following only the broad contours of the state guidelines (Anttila, 2008). They thus have the possibility of defining local programmes complementing the national one. It is notably in agreement with the municipalities that the schools choose the optional subjects which will be offered to students (Robert, 2008).
- They have complete latitude to distribute the funds they receive from the state, which provides 57 percent of the education budget.
- They recruit the teachers and determine the level of their remuneration.
- They carry out the evaluations which are required of all basic schools and high schools. However, the state also evaluates the outcomes.

**PROGRAMMES AIMED AT  
PROMOTING YOUTH  
EMPLOYMENT**

Since the year 2000, many programmes aimed at combating youth unemployment and early school-leaving have been set up (Julkunen and Öhman, 2005; Julkunen, 2007). We may cite, for example:

The Act on Rehabilitative Work Experience (2001)

The Early Rehabilitation Trial for Adolescents (2001-2003)

The Youth Participation Project (2002)

The Social Guarantee for Youth (2005)

These various projects have been tested in order to identify good practices which yield good results and could become permanent.<sup>9</sup> On the other hand, there are no overall national policies for combating early school-leaving. While they do not specifically concern young people without diplomas, these programmes nonetheless seem to provide no systematic coverage of the most academically and socially disadvantaged young people. They are aimed at facilitating the school-to-work transition by improving the young people's training levels and organising individual pathways leading them to employment.

**1. Priority given to  
the reduction of early  
exits from initial  
education and  
training**

Since the beginning of this decade, the government has given priority to reducing the number of early school-leavers. To this end, it has developed remedial education, intensified student follow-up, increased the social services provided to students, improved the attention paid to certain students' special needs and developed the education and training of immigrants.

It has also intensified apprenticeship programmes and workshops for young people. In 2005 the stated objective was to increase their number from 7,000 that year to 8,000 in 2008 (European Employment Observatory, 2005).

These measures have yielded good outcomes because Finland has succeeded in diminishing an already low rate of early school-leavers and has thus attained the objectives fixed by the European Union (cf. above). The workshops seem to have been particularly successful: the young people participating in them have learned to take care of themselves and above all, have become enthusiastic and motivated in the process of learning a trade which interests them.

**2. The Social  
Guarantee for Youth**

The Finnish government set up the Social Guarantee for Youth in 2005 (European Employment Observatory, 2005; Julkunen and Öhman, 2005; Eurofound, 2005). Its objectives are the following:

<sup>9</sup> I.e., those which permit the reduction of early school-leaving.

- To increase the proportion of young people who continue their studies following basic education from 94.5 percent in 2003 to 96 percent in 2008;<sup>10</sup>
- To prevent lasting youth unemployment;
- To avoid the social exclusion of young people through rapid intervention.

This programme revolves around three key elements:

- The most rapid possible assessment of the services the young person needs.
- The establishment of an individual jobseeking plan for each young person under age 25 before the end of three consecutive months in unemployment.<sup>11</sup> The young person is offered training for jobseeking, vocational or pre-vocational training, subsidised employment, an internship or vocational rehabilitation.
- The provision of the services necessary for the implementation of this plan.

The programme is based on a system of rights and obligations: the young people must take active steps; they cannot remain passive and simply benefit from the accompanying social services.<sup>12</sup> The effectiveness of the services the young person benefits from is monitored and the jobseeking plan updated in function of changes in his or her situation.

The programme also relies on closer co-operation between training establishments and the public services intervening on the labour market at national, regional and local levels. The municipalities in particular have set up workshops combining a job or internship with individual follow-up and social assistance. They also offer social and healthcare services.

Young people requiring several types of intervention are directed towards the Labour Force Service Centres which have teams specifically devoted to them. This programme, in combination with increased demand for labour, is believed to have lowered the youth unemployment rate and shortened the period of their unemployment since 2005.

### **3. The Youth Participation Project**

In addition to programmes focused on jobseekers, several schemes are aimed at improving the situation of young people on the labour market (Walther and Pohl, 2005). One of these, the Youth Participation Project, was launched in Spring 2002. It targets young people who are at the end of basic education and early school-leavers. The objective is to channel these young people towards activities which develop their health and well-being, help them to continue their studies and improve their employment possibilities. In order to attain these goals, the project includes increased guidance, closer monitoring of students' progress, language classes for immigrant youth, the development of the school as a living environment, better co-operation between the school and the family, increased possibilities for the young people to influence their life conditions, the establishment of workshops and non-formal learning sites, and closer links between the school and the companies. In addition, local authorities guarantee each student a place in post-compulsory education, monitor the destinations of school-leavers, provide counselling to create education and participation plans and increase recreational opportunities.

<sup>10</sup>. Either in high schools, in vocational schools or in the tenth year of basic education.

<sup>11</sup>. This objective is more ambitious than that of the EU, which is to provide a new start to every unemployed person within a period of six months.

<sup>12</sup>. No details are specified, however, on the young person's active participation in the jobseeking plan.

The Ministry of Education, which co-ordinates the overall scheme, has selected 39 projects established at regional or municipal level and involving a total of 72 municipalities (European Employment Observatory, 2005). Within the framework of these projects, young people participate in workshops which promote their socialisation, reinforce their life skills in order to prevent social exclusion and guide them in their schooling and on the labour market. The young people can also obtain practical training or apprenticeship training through the projects. In general, they spend six months in these workshops.

In 2004, there were 220 workshops involving a total of 7,000 young people. Half of them suffered from a lack of vocational instruction and about 2.5 percent had not obtained the leaving certificate (cf. above). That year, close to half the workshop participants in 2004 got a job or found a place within the education system. The young people indicate that the workshop experience helped them to run their lives better, to improve their academic and vocational skills and clarify their goals for the future.

The conception behind the Swedish education system is aimed at limiting the number of early school-leavers. Compulsory schooling ends at age 16. There is no repetition of classes during that nine-year period (ages 7-16). At its end, all students receive their leaving certificates, but these are issued at three levels (corresponding to 'simple', 'mention' and 'special mention'). Although schooling is not compulsory after age 16, 98 percent of middle-school students enter high school, in principle for three years. Those who are behind their level have the possibility of a personalised programme allowing them to catch up. All high-school students receive an annual study grant of 1,100 euros.

High-school students can choose among seventeen different programmes, some of which are academic (social science, economics, languages, mathematics, natural science) and others more technically or vocationally oriented (administration, hotel industry, mechanics, technology, electrical construction, etc.). Eight subjects are common to all the programmes: English, arts, physical education and health, mathematics, science, religion, social science and Swedish. There is a certificate marking the end of secondary studies, but it is not issued to everyone. Students who do not manage to obtain it at age 19 (about one-third) are encouraged to continue their studies as long as necessary. However, one-quarter of high school students still have not obtained it at age 20.

The Swedish education system is subject to two criticisms:

- The large share of academic subjects in the vocational streams of the high school, which discourages some students;
- The absence of possibilities for rapid access to employment for those who are not inclined to formal studies.

The 20 percent of young people who do not complete their secondary studies, even after a prolongation of their schooling, are those who have the most difficulty entering employment. They can benefit from a training programme for adults funded by the municipalities (Nordström Skans, 2007). The municipalities are responsible for helping young people without secondary studies certificates under age 20 to find a job or participate in training. It is possible to enter high school up to the age of 20; beyond that age, adults have access to different kinds of training programmes offered by the municipalities.

After high school, 40 to 50 percent of young people undertake higher studies but less than half do so immediately or in the course of the following year. The possibility of beginning higher education and training at any age while benefiting from scholarships and loans is a distinctively Swedish feature. The Swedish National Board for Student Aid (Centrala studiestödsnämnden, CSN) gave out 2.6 billion euros in subsidies and loans in 2007. Students under age 54 are eligible for 780 euros a month, two-thirds of which takes the form of a loan and the other third a scholarship (CSN).

Following initial (including higher) education and training, access to employment begins in principle by a jointly monitored period of apprenticeship. But this system applies above all to the traditionally male activity sectors and is less true for female occupations. Access is difficult, moreover, for young people who have failed in general education.

Swedes over 20 years of age who so desire, and in particular those who have not succeeded in obtaining their certificate of secondary studies, may benefit from different forms of continuing education and training which are offered by the

municipalities but depend on the national education system. The most important programme is Komvux, which provides municipal adult education at basic and upper-secondary levels as well as continuing vocational training aimed at job advancement or reconversion. The Swedish Centre for Flexible Learning (CFL) offers distance learning for adults who do not have access to municipal continuing training establishments.

**Levels of initial and continuing education and training in Sweden and France**

	in %	
	Sweden	France
Early school-leavers	11.7	12.6
Population aged 25-64 participating in training during the four weeks prior to the survey	32.1	7
Population aged 25-34 with an educational level of lower secondary or above	9.5	18.9
Population aged 20-24 with an educational level of upper secondary or above	87.5	82.6

2005 figures.

Source: Eurostat.



## BACKGROUND

## 1. Earlier exits from initial education and training

In the United Kingdom, early school-leaving is relatively frequent. Thus, on the average from 2003 to 2005, it is the country of the EU15 where 18-year-olds are least often in initial education and training and where the proportion of young people in employment without participating in training is the highest.

Table 1. Proportion of young people aged 18-22 in education and/or employment in %

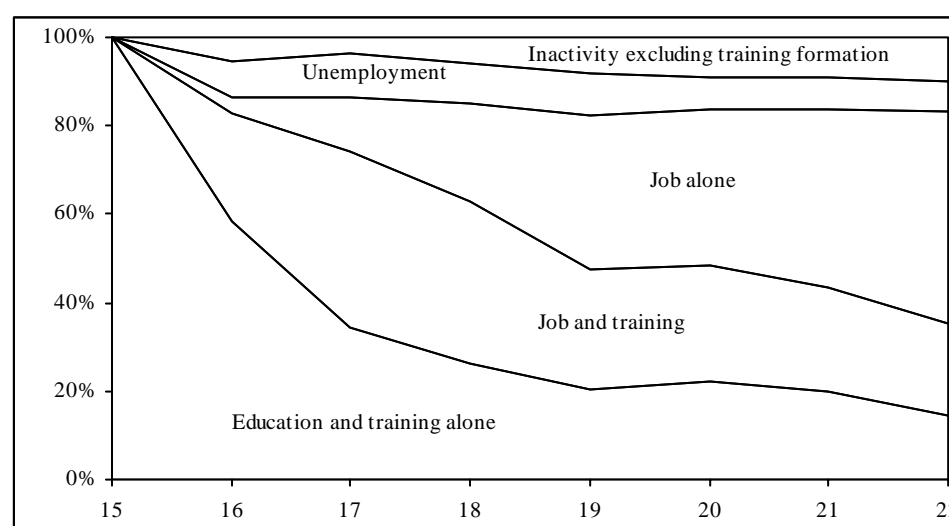
	Denmark	Germany	Spain	France	Portugal	Finland	Sweden	United Kingdom
Education and training	85.7	86.8	69	<b>85.1</b>	70.8	66.3	75.4	<b>62.8</b>
(job training)	52.4	35.6	5.9	<b>8.9</b>	2.5	26.4	22.6	<b>36.5</b>
Employment alone	5.1	3.8	16.4	<b>5.1</b>	19.1	7.1	7.4	<b>22.3</b>
Unemployment	7.4	5.4	9.7	<b>6.4</b>	6.1	22.3	11.9	<b>8.9</b>
Inactivity excluding initial education and training	1.8	4	5	<b>3.5</b>	4.1	4.3	5.3	<b>6.1</b>

Sources: Eurostat, LFS, average over 2003, 2004, 2005, calculations CERC, taken from (CERC, 2006).

In addition, combinations of studies and employment correspond less to alternating training (apprenticeship) than simply having a job unrelated to schooling (unlike the situation in Denmark and Germany).

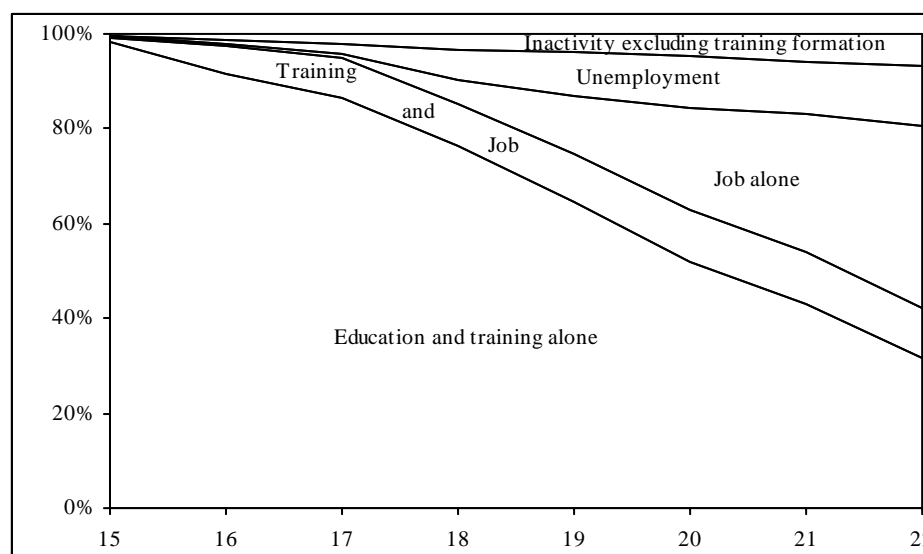
After age 18, few British young people continue initial studies; at age 22, they account for only 35 percent of the total (21% of whom have a job at the same time). Thus, the forms of school-to-work transition seem quite different in the United Kingdom and France.

Figure 1. Activity status of young people aged 15-22 in the UK



Sources: Eurostat, LFS, average over 2003, 2004, 2005, CERC calculations.

Figure 2. Activity status of young people aged 15-22 in France



Sources: Eurostat, LFS, average over 2003, 2004, 2005, CERC calculations.

With regard to the scale of 'exits without diplomas', the data differs considerably from one source to another depending on the classification of the General Certificate of Secondary Education (GCSE) delivered at the end of compulsory education, which is roughly equivalent to the French *brevet*. Some publications using the Labour Force Surveys in past years classified it at ISCED level 3 and the UK then seemed to have one of the lowest rates of exits without diplomas. When it is classified at ISCED level 2, however, as is now the case with the OECD and Eurostat, the UK's position seems much less favourable (cf. Chapter A.I.1.).

Over the past decade, the British government has been concerned about what it considers an inferior level of training, as well as the number of early school-leavers (see below).

British young people enter employment earlier than their French counterparts. However, the proportion of unemployed or inactive young people is also great, if not greater, in the UK, where the total unemployment rate is nevertheless lower.

## 2. Continuing training

In the UK, vocational training is the responsibility of the employers. Unlike France, however, there is no required financial contribution.

In 2001, the British government recognised that this approach based on the employers' initiative had admittedly permitted training more employees, but not enough given the low qualification level of the population. Since the Learning and Skills Act of 2000, the government has presented its action plans in two successive White Papers on skills, in 2003 and 2005.

Thus, the first Skills Strategy White Paper ('21st century skills, Realising our potential', 2003) introduced a right to free learning for anyone lacking basic skills for employment. In the second ('Skills: Getting on in business, getting on in work', 2005), one of the action plans sets up a National Skills Alliance based on a partnership between public authorities, trade unions and employers (Cuddy and Leney, 2005).

The foregoing observations were confirmed by the final report of the Leitch Review of Skills (2006).

In spite of the absence of up-to-date information on the amount of British employers' expenditures for vocational education and training, a report (Hillage and al., 2000) indicates that employers make the largest financial contribution to on-the-job training. However, one-third of the companies still do not invest in training.

It is for this reason that the Learning and Skills Council set up the 'Train to Gain' programme in August 2006 (Delpont, 2007). It involves making a diagnosis, locating suitable training bodies and finding the necessary funding. In all, 'Train to Gain' seeks to give 4 million people the possibility of achieving ISCED level 2 qualification.

### **3. Youth labour-market entry**

The labour market, which was especially dynamic over the past ten years, allowed many British young people to make the school-to-work transition, seemingly with fewer difficulties than their French counterparts. At the end of 2006, however, 10 percent of the 16-18 age group (about 25,000 young people) in England were neither in education nor in employment. This rate has been stable for ten years.

#### **REFORMS OF THE EDUCATION SYSTEM**

##### **1. Raising the compulsory schooling age to 18 years in 2015**

The British government is carrying out a reform of education for 14-to-19-year-olds. Indeed, the UK is faced with a disturbing rate of early school-leavers, which is one of the highest among OECD member countries. In addition, achievement rates in secondary education are low (nearly half the students do not manage to pass more than five exams for the General Certificate of Secondary Education [GCSE]). In the last two years of compulsory education, truancy is widespread. And as then-Schools Minister David Miliband indicated earlier in this decade, vocational education and training provision is historically inadequate.

In reaction to this situation, the Department for Education and Skills (DFES/DCFS) conducted a series of public consultations in order to reform the general and vocation education of the 14-19 age group. One of the objectives of this reform is to increase the proportion of young people who pursue studies or any kind of professionalising programme after age 16 (the present end of compulsory schooling). The targets to be reached are ambitious:

- Only 8 percent of young people aged 16-18 should be neither in employment nor in training nor in the education system by 2010 (10% at present);
- In 2015, 90 percent of 17-year-olds should still be in training or within the education system (75% in 2005);
- 85 percent of 19-year-olds should attain ISCED level 2 qualification.

In order to reach these goals, the government projects a gradual increase in the legal age for leaving the education system, from 16 to 17 years in 2013, and then to 18 years in 2015. Significant reforms in school-based and vocational training accompany this increase in the compulsory schooling age.

Furthermore, within the context of the National Child Strategy launched in 1998, various schemes aim to avoid the school failure of children from disadvantaged families by getting under way from the youngest age (e.g., the Sure Start programme) (Chambaz, 2003). Other programmes to combat early school-leaving, such as the Special Educational Needs Strategy, 'Removing Barriers to

Achievement', launched in 2004, exist throughout schooling (Department for Work and Pensions, 2005).

## 2. Intermediate vocational qualifications

As of the 2008-2009 school year, a new kind of composite qualification, the Diploma, was to be introduced to provide students with a greater variety of programme choices. Fourteen specialised programmes offering a combination of vocational skills and general education were to be created in partnership with employers. Open to all the students in the country, they cover a wide range of fields including information technology; society, health development; engineering; creative arts and media; construction and built environment; environment and land-based studies; hair and beauty studies; hospitality and catering; business administration and finance; public services; sports and active leisure; retail business; travel and tourism and so on.

These Diploma programmes will exist at several levels (middle school to the end of high school) and will not prevent students from taking the classic examinations for the GCSE at the end of compulsory schooling (equivalent to the French *brevet*) and A levels at the end of upper secondary (equivalent to the French *baccalauréat*). Designed by the occupational branches and educational specialists, these new Diplomas offer the advantage of giving access to the world of work without excessive specialisation, contrary to apprenticeship.

Forty thousand places were to be opened up in 2008 for the preparation of a Diploma, in two years for the most part, in five professional fields (construction and built environment; creative arts and media; engineering; society, health and development; information technologies). Five other fields will be offered in 2009 and four more in 2010.

## 3. Growth of apprenticeship

After a long period of neglect, apprenticeship is now at the centre of youth training and labour-market entry policy. Although it still suffers from a poor image, efforts in terms of quality and public relations seem to be beginning to bear fruit. One of the main indicators followed by public authorities bears on the rate of school failure and dropping out, which has shown a sharp decline (38% in 2007, compared to 76% in 2002), even if it still remains high. In 2007, England had 250,000 apprentices (compared to 75,000 in 1997). By 2013, 90,000 additional apprenticeship places will be created, with the aim of guaranteeing a veritable right to apprenticeship that year (meaning that all requests would have to be met).

## 4. Guidance counselling

Connexions services, set up in 2001, is a network providing advice and counselling to all 13-to-19-year-olds, notably early school-leavers who are not in education, employment or training (NEET). There are now 47 Connexions Partnerships throughout England and it is envisioned to transfer them to the 150 Local Authority Areas. Funding totals some £476 million. In 2006-2007, 5.2 million interventions with young people were provided, 62 percent of which were face-to-face interviews.

Local communities (who have sole authority over primary and secondary education) have to inform the young people of all the education and training

choices at their disposal. They are required to publish and post on internet catalogues presenting the different programmes and courses available. Young people have the possibility of testing the courses offered to them.

**The 'September Guarantee'**

In each local community, every young person aged 11-16 at the end of the September following the end of compulsory schooling must have been offered a suitable learning, training or work opportunity. They people can also return to training in the course of the year after leaving the school system, whereas they were previously required to wait for the beginning of the next year.

**5. Incentives for the continuation of studies**

There are already several allowances aimed at encouraging the most marginalised young people to remain in the educational system. The public targeted by the Education Maintenance Allowance (EMA, created in 1999) is that of young people aged 16-18 who come from modest backgrounds and are about to leave the school system or have already done so. The government would like to extend the EMA to a larger number of programmes or educational curricula, including training offered by associations.

The UK traditionally has one of the highest early pregnancy rates in the OECD. A specific Care to Learn Allowance attempts to encourage very young mothers to remain in the education system. It is paid to mothers under age 20 to cover childcare expenses if they have no other solution (partner or family) during their school or training time.

**UNEMPLOYMENT ALLOWANCE AND MINIMUM INCOME BENEFIT**

The incomes of young people who have ended their studies and are jobless must be analysed in the general context of substitution incomes in the UK. A Contribution-Based Jobseeker's Allowance is paid for six months to unemployed persons who have made sufficient social contributions. Beyond that period, or for jobseekers without the necessary prior contributions, there is an income-based Jobseeker's Allowance. Disabled persons and lone parents (until the child's twentieth birthday) benefit from Income Support, which is based on the same scale as the Jobseeker's Allowance (JSA) but does not require an active job search.

Young people who are not in employment, education or training (NEET) can request the JSA at age 18, even if they are living with their parents. In certain special situations (e.g., family violence), it can be paid as of age 16; in this case, the rate is lower than that of the 'adult' JSA (age 25 and over).

Table 2. Maximum amount of the Jobseeker's Allowance (JSA)

Situation	Age	€/month
Single	16-17 years	219
	18-24 years	282
	25 years or over	364
Couple	Two persons aged 16-17	219
	One person aged 16-17 + one 25 or over	364
	Two persons aged 18 or over	570

Source: Department for Work and Pensions (DWP).

Beneficiaries of the JSA (in both forms) are required to make an active job search and show proof of this search to the agent at the Jobcentre Plus working with them (interviews every two weeks). They must also accept any suitable job, as determined by the adviser. Beyond this monitoring, there are no general back-to-

work assistance schemes. Specific New Deal schemes target particular publics, including young people.

#### THE NEW DEAL FOR YOUNG PEOPLE

The main activation schemes for the return to employment are grouped together under the umbrella name New Deal. These programmes, launched in 1997, constitute a key instrument of the government's Welfare-to-Work strategy.<sup>1</sup>

The New Deal for Young People (NDYP) was set up in 1998. Participation is required for all young people between the ages of 18 and 24 claiming unemployment benefits for six months or more. Participants begin with an intensive guidance period known as the 'Gateway', which lasts up to four months. During this period, personal advisers help them with their employability (motivation, assistance in writing a CV, preparation for interviews, etc.) and entry into work (selection of announcements, etc.). Those who have not found a job after the Gateway period have a choice of four programme options:

*a) Subsidised employment:* the private-sector employer who accepts to take on a young person receives a subsidy of 90 euros a week during 6 months, as well as a fixed sum of about 1,200 euros intended to compensate for the costs of vocational training which should be provided to the young person one day a week with the idea of achieving formal qualification.

There is also a self-employment route within the employment option: for the undertaking of an independent activity (business start-up), the person involved receives a sum equal to their unemployment allowance plus a premium of 100 euros a month during six months.

*b) Full-time education and training:* The young person is offered full-time learning or training leading to the achievement of a Level 2 vocational qualification. During the training period (up to one year), the participant receives aid equal to his or her unemployment allowance.

*c and d) A job on an Environment Task Force project or in a voluntary-sector organisation:* The young person is offered work and training for a period of up to six months. As with the preceding option, the participant receives an aid equivalent to that of the unemployment allowance, plus a subsidy of 100 euros a month. The host organisation is responsible for providing the young person with one day of training a week, either directly or through other arrangements, with the aim of achieving a formal qualification.

The payment of the allowance is suspended for a fixed period when the young person:

- has refused, without a valid reason, to participate in the training programme proposed or has abandoned or been absent from that programme;
  - has been dismissed from training or employment because of poor behaviour.
- The sanctions are automatic and with no possibility of discretionary reductions.

In December 2007, there were some 100,000 young people under age 25 and unemployed for more than 6 months who were automatically integrated into the

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<sup>1</sup>. This concept, imported from the United States, involves the idea of 'giving something in return': the public system takes responsibility for paying benefits but individual recipients are subject to sharp constraints so that they get out of assistance by finding a job, or undertake socially useful activities or improve their employability through training.

New Deal scheme. In February 2008, the Ministry of Labour announced a considerable intensification of the New Deal programme for young people leaving school before age 18 but not immediately registered as unemployed because of the restrictive conditions they face for access to compensation. As of 2009, any 18-year-old who has been inactive during the six months preceding registration as unemployed will be directly referred to the Gateway, with the constraints and more intensive personal support that entails.

Several evaluations show a positive impact for the NDYP. Riley and Young (2000) have estimated its direct effect on youth employment and unemployment as a decrease of some 35,000 young people in unemployment, and notably long-term unemployment given the nature of the programme. This figure is in fact the balance of a decrease of 45,000 in the number of long-term unemployed young people and an increase of 10,000 in the number of short-term unemployed young people.

The reduction in unemployment results from the increase in employment, the volume of public employment or training programmes and the number of persons in initial or continuing training. It may also reflect the change in the number of beneficiaries of allowances other than those for unemployment. In all, the NDYP would have created 15,000 jobs for young people. By including the indirect effect on other age groups, its impact on unemployment would be 45,000 and that on employment, 25,000.

Wilkinson (2003) confirms these orders of magnitude. He estimates that when the direct and indirect effects of the NDYP are combined, the number of persons in unemployment has been reduced by 30,000 to 40,000.

Blundell and al. (2001), meanwhile, study the impact of the NDYP on the rate of exit from unemployment into employment. After four months spent on the Gateway, there is a 20 percent greater probability that the young people will have found a job, with the majority of this increase due to the 'subsidised employment' option. Dorsett (2006) also finds that this option is better than the others in terms of increasing the probability of finding a job.

However, these globally positive evaluations are probably less clear-cut for the young people in greatest difficulty. Indeed, some researchers insist on the fact that the choice between the different options of the New Deal is not as free as it appears, to the extent that the young people with the most problems, for whom the risks of unemployment are the greatest, are essentially directed towards subsidised employment. But these options are also the least able to help them find a non-subsidised job afterwards.

Beyond these short-term effects, Beale, Bloss and Thomas (2008) examine the long-term impact (over 4 years) of participation in the NDYP.<sup>2</sup> According to their findings, this participation reduces the payment of allowances by 12 percent. The period during which beneficiaries receive them is reduced by ninety days over the four years analysed. This impact decreases over time, however, going from twenty-four days the first year to ten days the fourth year. Over the long-term, it also appears that the subsidised employment option is the most effective,

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<sup>2</sup>. Because the Gateway options last for different periods of time (6 to 12 months), the authors examine the four-year period beginning twelve months after entry into the programme.

followed by that of full-time training, with the Environment Task Force and voluntary-sector employment options being the least convincing.

Participants' success rates differ depending on their characteristics. It seems that the best success rates are achieved by the oldest and most qualified young people, as well as those with a short period of compensation before their entry into the New Deal. However, it is not possible to determine to what extent these observations are due to their initial characteristics which would thus favour their job entry, or the effect of the programme itself.