

Training and employment

No 8 May 1982

Editorial

**The stakes of vocational training
policy in efforts to combat
unemployment**
G. Ducray

**Vocational training: Is it an
effective weapon against unemployment?**
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a period of high unemployment**
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**Unemployment and the
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Bibliographical file

EUROPE

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training**
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**Vocational training — employment —
unemployment**
B. Grönig

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Contents

	Page
Editorial	1
The stakes of vocational training policy in efforts to combat unemployment	3
<i>Gabriel Ducray</i>	
Vocational training: Is it an effective weapon against unemployment? ...	7
<i>Sergio Bruno</i>	
The direction of training during a period of high unemployment	10
<i>R. Meredith Belbin</i>	
Unemployment and the expansion of education	14
<i>Manfred Tessaring</i>	
DOSSIER	
100 000 young people (France)	18
<i>Paul Dupouey</i>	
A new training initiative (United Kingdom)	22
<i>Mark Jackson</i>	
Youth unemployment in Italy	26
<i>Alfredo Tamborlini</i>	
Bibliographical file	28
EUROPE	
Youth unemployment and vocational training	30
<i>CEDEFOP</i>	
Vocational training – employment – unemployment	33
<i>Barbara Grönig</i>	

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Editorial

Unemployment: the magnitude of the problem

By becoming accustomed to living with a problem, one may finally come to think of it simply as a banality. Understanding unemployment as an inevitable phenomenon to which one must become accustomed implies above all that no effort is made at cultural and political level to tackle the unemployment problem with that degree of intensity which would be necessary in order to overcome it.

As of January 1982 there were 10.5 million persons out of work in Europe of the Ten. This is a most serious situation when one calls to mind the arsenal of instruments

being put to work by the national governments of the European Community in an effort to combat unemployment. The crisis which as early as 1974 hit the European economies and put development strategies into question prompted the pursuit of policies aimed at increasing productivity and implying encouragement to invest as much available capital as possible. Discussion then arose concerning structural problems which could influence the balance between capital costs and labour costs and the equilibrium between investments for productivity and investments aimed at developing production capacities. At the same time statistics revealed that job demand was increasing overproportionately *vis-à-vis* the

rate of demographic growth.* This increase was due in equal measure to

- a steady increase in the number of women seeking employment,
- a significant increase in the number of young job-seekers,
- refusal on the part of older workers to accept the fact that the reaching of a certain age signified total and immediate withdrawal from the working world.

The seventies: what role was assigned to vocational training?

It is obvious that ever since 1974 vocational training has been utilized as an instrument serving to combat unemployment. Perhaps the reason was that there seemed to be a direct relationship between a low level of qualification and an unemployment situation, and it was therefore felt that by eliminating the assumed cause of unemployment, one could arrive at the desired result, that of higher employment.

In awareness that there was no homogeneity in the structure of job demand and unemployment, high-risk groups such as young people, women, and migrant workers soon came to be categorized.

Increase in job demand on the part of young people and women in excess of that explainable by demographic growth, together with an overproportional increase in the rate of unemployment in these categories, led to the implementation of policies aimed at:

- increasing employment opportunities for these categories,
- providing for opportunities of contact between school life and working life in order to facilitate transition from school to work,

* OECD, *employment statistics*. Paris 1978.

With the change in graphic design and editorial presentation the VOCATIONAL TRAINING BULLETIN has been given a new look. The publication now has three sections: feature articles, an 'information dossier' covering a specific subject and a column 'Europe' describing the activities of international organizations and Community bodies in the field of vocational training.

The change was not dictated by a 'drive for innovation', which could well be detrimental for a periodical owing to the possible loss of identity, but rather the evolution of the content and style provided the motive force for a new graphic presentation.

It is a Community publication not only in respect of the area of observation it covers but more especially in its role as a promotor and disseminator of information provided by Community bodies based on the conclusions drawn from their technical and scientific work.

Two factors determine whether the desired objectives can be achieved in practice: the size of the field of observation and the diversity of the readership.

The first necessarily encompasses all aspects of vocational training in the Community,

whereby the greater the area covered, the more difficult an in-depth analysis becomes. The publication is addressed to decision-makers, those who develop and supply technical and scientific decision-making aids and finally those required to implement these decisions. There is, therefore, a need to employ a language common to these different groups.

The difficulties and costs resulting from the commitment to publish the journal in all Community languages (a Greek edition will be introduced in the near future) are an additional factor determining the number of issues published each year. These various limitations in no way detract from the conviction that this CEDEFOP Bulletin has a valuable contribution to make to the development of vocational training. With this first issue of 1982 we should like to thank all readers for the help and encouragement they have given us in our efforts to improve the standard and circulation of this publication.

DUCCIO GUERRA
Editor

■ redistributing employment opportunities,

■ assisting migrant workers confronted with problems stemming from reconversion measures and other changes linked to the rapid dissemination of technological innovations.

It is an undisputable fact that vocational training has begun to have impact on several of these targets, thus discharging in part the important function of bringing employment opportunities back into equilibrium. It has not yet, however, succeeded in fulfilling the optimistic expectations of those who thought of it as a motor capable of pulling out the labour market mired down under the weight of a most difficult economic situation.

Is vocational training a useful instrument in the effort to combat unemployment?

Macroeconomic analysis does not leave room for an affirmative answer. For if after 1974 the task assigned to vocational training was to create jobs or at least stimulate employment, the results of the past seven years are meagre indeed. It appears that although vocational training is a significant

social variable, it is ineffective as an economic variable, at least in the short term. The very clear analysis undertaken by Sergio Bruno in his article seems to bear this assumption out. With regard to possible choices at the level of economic policy, *training*, in the sense of a variable, has in the last analysis been called upon to play only a marginal support role. This could lead to the conclusion that training has no functions at all if the economy does not call upon it to exercise them. It is, however, difficult to accept this conclusion. As a matter of fact, if the instrument of vocational training is integrated into overall economic and social development strategy, it makes possible the simultaneous tackling of problems at various levels. Here the double role of vocational training in the qualitative synchronization of job supply and job demand should be stressed. By means of vocational training, firstly, the shortage of qualified workers which may run parallel to a significant rate of unemployment can be to a considerable extent eliminated. Secondly, the availability of a substantial percentage of qualified workers in the labour force frees production units to change over to one of several systems of work organization which lead away from the segregative Taylorian model, according to which the task of work planning and work preparation is confined to a small highly qualified staff

whereas the execution of work is undertaken by non-qualified workers who are not expected to show initiative or discharge complicated tasks.

Vocational training has furthermore the task of eliminating *manpower immobility*, thus allowing for or accelerating reconversion processes which in the long run can only have a beneficial effect at all work levels.

It is likewise important to consider the role of vocational training in economic development at regional and local micro-level. Here one frequently meets up with *pockets* of great economic vitality in which formal and informal education and training systems, including that of vocational training, interact on one another in such a way as to speed up the mechanisms serving to reactivate economic growth. It would perhaps be very worthwhile to undertake more thoroughgoing analyses on the impact of training in such situations.

Is vocational training an effective instrument in the effort to combat unemployment? The question is not so naive as it appears to be. An effort to deal with it is in itself a contribution to reflections on a problem which is by no means new and which remains topical precisely because no satisfactory solution has yet been found.

The stakes of vocational training policy in efforts to combat unemployment



Gabriel Ducray

'For many decades now democracy has been able to achieve considerable progress by implementing reform measures here and there . . . But today it is the entire system which must be completely reformed.'

Pierre Mendès-France

The ideology of vocational training has undergone practically no change from the time it was first placed at the service of the process of industrialization in Western societies until the present. It understands the purpose of training to be the provision of manpower for tasks in workshops, offices, and laboratories. Training therefore loses its reason for being if the economy does not create new jobs.

Although we have not yet actually arrived at this point, training traditionally responding to the needs of the economy is now disoriented because it is no longer determined in the short or longer term by the recruitment of manpower by entrepreneurs. It exercises merely an auxiliary function within the economy and can on its own strength neither attract the continued attention of governments nor mobilize on a long-term basis the important resources it requires.

Not until the usefulness of vocational training on the employment scene becomes recognized can it be anything more than just a type of instruction within a diversified education system, catering also for adults.*

The downward trend in the economy which has been in evidence ever since the early

seventies caught us short of ideas and projects precisely at a time when the concept of a vocational training policy enlarged to fit European dimensions began to take shape. How should one fill up the European 'social space', now that the legal and financial structures which from the start had supported the progress of training for young people and adults throughout the sixties and on to 1974 were no longer being themselves supported and activated by the general flow of economic activity? Called upon several times since 1975 to become active in the fight against unemployment, in particular youth unemployment, vocational training proved itself incapable of increasing employment opportunities. Not only was it incapable of creating jobs and of improving the labour market situation, vocational training was furthermore guilty of failing to align training provided to qualifications required, with the result that unemployment was heightened by recruitment difficulties not only in the growth industries.

This vocational training crisis is particularly well described in the analyses presented at the intergovernmental conference organized by the OECD in Paris in July of 1978 on the subject of vocational training.

The scepticism which is now widespread has nevertheless had little impact on the supportive structures set up during the period of economic prosperity. The governments have continued in general to provide financial support, and the desire to instil new life into the institutions has led to a renewal of the concept of 'lifelong learning', with initial and continuing training enjoying the status of national priorities. During the past two years, however, the disparity between political and institutional initiatives and the worsening economic situation has become even more accentuated. Although a vocational training policy is still held high, it is empty of all inspiration, down even to

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has served as a member of the Interministerial Work Inspection Corps since 1955.

In 1960 he set up the first service of the Ministry of Labour for the study of employment and career guidance in the regions of eastern France.

Called to the Ministry of National Education in 1974, he established the central service of statistics and economic cycle monitoring and served as its head until 1970, chairing at the same time the Commission on National Vocational Training Statistics.

In 1970 he was commissioned by the French Government to establish the Centre for Study and Research on Qualifications (CEREQ).

In 1980 he resigned as Director of CEREQ and from 1980 to 1981 served as Secretary-General and then as Deputy in charge of vocational training under the Prime Minister.

contractual level, and can no longer really nurture hope.

Is it really necessary to resign one's self to this prudent role of vocational training as the custodian of acquired rights, ineffective as it is in spite of the high social costs involved? Would the provision of administrative support suffice to render vocational training more credible? An affirmative answer might possibly find its own justification; could one be certain that all efforts to improve the relationships between training and employment had been exhausted? This is not the case. On the contrary, the technical and scientific aspects of vocational training seem to be incapable of penetrating administrative practice and imbuing public action with new strength which would help us to surmount our present difficulties.

Since the impact of vocational training on employment has not been the subject of systematic experimentation and exploitation, it is not fair to condemn vocational training to uselessness in the effort to combat unemployment. Its function in a modern, technically equipped economy has another thrust. Out of the body of new ideas gathered, strategies can be drawn up which

* *Learn to Be*. Report of the International Commission on the Development of Education. UNESCO. Paris 1972.

would enable training to contribute to the fight against unemployment by placing emphasis on areas of economic progress which have not yet been explored. These are the stakes of a more dynamic policy, with success depending in the last analysis on political conditions which are frequently such that they impinge not only on our methods of action but also, and indeed more so, on the scale of values which underlie our economic and social system.

■ Scientific bases for an improvement of the employment situation via vocational training*

The public function of vocational training is frequently analysed by referring to labour policies. This is logical since this function is comprehensible only in the light of labour market conditions, with the demand for employment by the working population and the supply of jobs by the enterprises constituting the two terms of reference. However, these terms are not of equal priority: it is generally assumed that adaptation to the labour market takes precedence over manpower mobility and flexibility. Work is accomplished for production purposes, and job-seekers have the obligation to offer their services at the place of employ and meet the recruitment requirements of the employing firms. An open job expresses the power of the entrepreneur to determine the volume of work involved and the qualifications required in order to meet his production target. This economic fact is nothing more than the expression of market constraints which weigh at a certain time at a certain place on a producer of commodities. A free market economy requires of vocational training that it provides young people with technical skills needed for jobs in industry, commerce, and the services. Moreover, in a period of change characterized by transformation of the production system and acceleration of the process of obsolescence in the wake of technological advance vocational training should also contribute to the task of keeping older workers on their jobs via continuing training or skills upgrading.

According to this analysis the function discharged by vocational training on the labour market is that of a variable of adjustment. It is of course necessary to

decide whether the State or the employers should carry the costs of training.

It is evident that according to this concept vocational training is not capable of completely modifying job content or of influencing resultant development at job level.

Although limited in this way with regard to its impact range, vocational training had a very important post-war role to play in Europe in connection with the challenge of rapid economic expansion and the technical equipment of industry, its task being three-fold. Firstly, the knowledge and know-how required by industrial technologies were disseminated rapidly throughout the country via civil engineering, mechanical engineering, electrical engineering, and chemical engineering, for example. Having decided to expand the public school system, France achieved an increase of 300% between 1950 and 1980 in the number of pupils enrolled in technical classes of the secondary schools. Secondly, the training provided was such as to permit the even distribution of manpower on the employment market, with qualifications recognized by the employers ensuring the diversification and hierarchical systemization of occupational skills. Since growth phenomena could be anticipated, vocational training could thirdly be tailored to qualitative and quantitative demand and thus ensure a better balance between job-seekers and job-finders.* In extreme cases, such as the example of Sweden, and that of encouragement and assistance provided by international bodies** training was able to absorb and prepare for other jobs the temporary and limited volume of excess manpower on the labour market.

If vocational training is today in a state of crisis, the reasons are precisely that it no longer enjoys the support of a labour policy and that unemployment has reached such dimensions that cyclical interventions no longer suffice. Can vocational training perhaps be linked to something other than the labour market? The results of research studies undertaken in various countries during the past ten years on this possibility give good reason for hope in this regard.

The original approach taken in recent research studies stems from the realization that a job is no longer treated as an isolated phenomenon within the working environment nor understood as a manpower supply factor separated from and independent of

the manpower demand factor. The term 'work system'* has been coined to describe this innovative approach. It takes account of the active person in his human, technical and economic working environment. This scientific approach offers hope of refinding via the organization of economic and working life the true role of man in a world of machines. Work is no longer disassociated from the working environment. This functional comprehension of work has brought to the fore a number of dynamic processes which appear to be capable of releasing job development from the vicious circle within which it has been locked by the slowdown in economic growth and technical progress.

Firstly, job development has not been determined by one factor alone, that of technical progress, but rather by a succession of choices limited by various constraints. Within the structurization of work, that is to say, within the social definition of work involving complex factors there is room open which could be occupied by a social policy without in any way restricting the competitiveness of the economy. Secondly, we know now that job development is subject to influences exerted by the composition and characteristics of available manpower. Job development in which work content is improved via improved diffusion of technological innovations is possible only if at the same time the vocational qualifications of labour are modified, that is to say, only if training and job development are geared to the same objective. In our technical society, in other words, and quite in contrast to what might happen if economic activity were to demand of a worker only his work power, employment and training are tightly linked together by the development of vocational qualifications. Thirdly, we have realized that the form which work organization takes is not without influence on the economic output of the firm. A system of work organized at well-balanced, firm-wide technological level can stimulate higher productivity throughout the firm. This global productivity reflects in turn the firm's dynamism and its ability to adapt to change and is not to be confused with higher productivity resulting from an increased number of hours worked. In qualitatively influencing work organization in order to modify its composition and balance, training can have a positive effect on the competitiveness of the economy and open up new employment possibilities.

* *L'évolution des systèmes de travail dans l'économie moderne*. Actes des journées nationales d'études de la Délégation à la recherche scientifique (DGRST) du Centre d'études et de recherches sur les qualifications (CEREQ) du Centre national de la recherche scientifique (CNRS). Published by CNRS, Paris December 1980.

* Reports of the commissions on training and employment, Vth to VIIIth Plans (1965-70), Commissariat général au plan, Paris.

** Recommendations of the OECD and the European Social Fund.

* A 'work system' consists of a group of independent work tasks geared to a production objective (project) and carried out by holders of various types of jobs on various types of machines and equipment who have qualifications which are often substitutable one for the other.

In other words, modification of the way in which men and women function in the field of production and services alters the social and economic balance of employment in a profound manner. It is, therefore, important to know how this structural transformation can be put to good use in the effort to reduce unemployment.

■ Training strategies aimed at opening up new employment possibilities

How can vocational training stimulate work organization to evolve in the direction of a better balanced employment situation? The answer is to be found only within the framework of a global vocational training policy. This common effort, supported by more or less decentralized measures as required, should guarantee the coherence of initiatives, guidelines, and financing machinery because it calls for the involvement of a plurality of actors at both public and private level. The task at hand is to modify the structural data of employment by intervening at the level of the combination manpower/work. A vocational training policy aimed at combating unemployment is nothing more than a coordinated system of interventions at labour force level serving to raise the level of employability on the one hand and to improve the production climate on the other hand and thus increase the efficacy of work by virtue of the improved utilization of available qualifications.

This strategy of qualification for employment does not take on a special form according to whether it is being addressed primarily to young people or to adults.

With regard to training measures intended to help combat youth unemployment, the International Labour Organization reported excellently on the situation in our country at the Third European Conference held in Geneva in October of 1979.*

The conclusions, approved by government members, employers, and workers, conform with the results of the Conference of European Trade Unions, held on 12 and 13 October 1979. This youth policy, closely linking general and technical subjects of instruction and tightly combining information and careers guidance, can be summarized by saying that it modifies the skeleton conditions of labour force renewal by having bearing on the vocational qualities of young people and on factors governing their entry into working life. For this reason

* Report of the Commission on Young People and Work, and resolutions of the General Assembly. ILO, Geneva.

programmes for young people should have four principal objectives. The first objective is to guarantee training for all with the help of general pedagogics plus special teaching methods adapted to those persons or groups who are most disadvantaged, the purpose here being to help young persons without qualifications to avoid the risk of unemployment with which they are threatened.* The second objective is to gradually raise the level of vocational competence of young people by enabling them to acquire a greater mastery of modern techniques and relevant new working methods. Involved in the field of informatics, for example, is elementary knowledge of computer language and acquisition of skill in dialogue with the machine. The third objective is to pass on to young people the ability to innovate, to adapt to technical innovations with which the working environment is being redesigned, and to successfully handle the problem of changeover to undetermined situations. In a working life which no longer consists of simply accomplishing the same work which the preceding generation accomplished, the qualities of innovative thought and autonomy of action are indispensable. Fourthly, training should be a mechanism serving integration into the working world, a mechanism assuring transition from the role of pupil at school to

* Gabriel Ducray: *Bilan des perspectives offertes aux jeunes par la vie professionnelle*. Report to the Government, photocopied document. CEREQ Paris, 29 May 1975. 'L'insertion professionnelle et sociale des jeunes.' Report to the Prime Minister. Bertrand Schwartz. *La documentation française*, Paris, September 1981.

the role of full-time worker in a firm. The excellent report* of the European Centre for the Development of Vocational Training on effective types of combined training and on-the-job experience** within the education system and also within the redesigned apprenticeship system gives the lie to the extremely tight boundaries separating school life from working life, which no academic or entrepreneurial dogmatism will ever succeed in either hiding or justifying.

It has often been said that adult education is in fact a prolongation of youth education; the concept of continuing education stems indeed from the need for continuity within a global training policy. This liaison is even more important in periods of high unemployment when young people and adults face strong competition for open jobs. Confronted with young people who are better trained than they are, adults should not fail to make full use of all occupational chances open to them, chances which can be ensured in various ways. The first way is acquisition of occupational mobility via training. Technological progress cruelly punishes the rigidity of the production system by eliminating those enterprises which fail to remain competitive. The pair

* J.-P. Jallade: *Alternance training for young people – guidelines for action*. CEDEFOP 1981, 93 pp. (DA, DE, EN, FR, IT, NL).

** 'Training within a working world environment and initial periods of on-the-job work experience constitute an important part of the entire process of training . . . training changes (in this field) should not lead to a lowering of standards but should on the contrary serve to raise them.' Resolution of the Third European Conference. ILO, Geneva, October 1979.



VOLLAGER

man-machine is thus unstable, and the only way to stability and an improved employment situation is to ensure career-long mobility.* Training is the instrument of this function of the social management of manpower. If a worker is shifted, his machine work is modified. Unless paralleled by manpower training, technological innovations lead to increased unemployment. Indeed, the role of training in keeping adults on the job is an essential one. It is, therefore, worthwhile to give thought to the way in which training for both young people and adults can acquire a sounder foundation.

Judging from Japanese and American experience,** and also from the long tradition of collective bargaining negotiations in the Federal Republic of Germany and in the Netherlands, the trend is towards giving the worker a greater share of participation in deliberations of the firm concerning production and management. In this sense the French Government is at present studying the possibility of ensuring that all French citizens are better trained. Behind this aim is the implication that training is broadened to include not only a larger and more varied package of technical skills than that acquired on the job but also economic and social subjects, practice in reasoning and expression, and cultural and civilization-related subjects or, briefly, to become authentic continuing education. The new system of labour which is searching to ensure better usage of time for the enrichment of human beings has need of a better educated labour force.***

It is evident that a modern vocational training policy cannot evolve out of the juxtaposition of pedagogic, legal, and financial systems subject strictly to bureaucratic management. In the interest of a process of change aimed at achieving proper balance on the employment market, vocational training calls for the design and implementation of a national action programme. Under such an arrangement vocational training is capable of provoking new situations; by the combination of its action *vis-à-vis* manpower and work, it can act as an employment balance regulator. It can add a new dimension to traditional educa-

tional and labour policies, dynamically stimulating them through actions at social category, sectoral, and regional level.

For both national and interministerial reasons, therefore, the utilization of vocational training in the struggle to combat unemployment is subject to the establishment of favourable conditions at political level more so than at technical level.

■ Political conditions governing the effectiveness of training programmes aimed at combating unemployment

At what cost can vocational training become an instrument serving to dynamize and regulate the structural balance of the employment market? Certainly it is necessary to mobilize all the active forces of the nation in an effort to bring the employment situation back to normal. A simple free play of interests is of no use. What is needed is a political will capable of surmounting obstacles already evident,* with governments refraining from launching even more partial reforms and thus watering down this political will.

In other words, an ambitious project must be designed which will mobilize efforts and secure the participation of both public and private partners in ensuring its carefully programmed implementation. A multitude of decentralized action programmes must be taken in hand, all moving in the same direction, thereby assigning to vocational training a role as one of the elements of a democratically conceived economic and social development plan.

Such project design requires that vocational training be understood as a technique of joint intervention supported by instruments of analysis and by specific, adequate action. In this respect our policies have been quite inadequate.* One must identify programme target groups, orient the programmes properly, provide them with efficient tools, evaluate them, and determine their proper area of specialization via constantly ongoing research. In nearly all cases future development must be anticipated. However, good diagnostics are of little use unless there is an objective term of reference common to all vocational training actors. Following the observation of facts through concerted action, decisions are prepared and lines of actions are traced out. In the economic sectors, in the regions, and in the

field of disadvantaged social categories vocational training policy has need of good documentation and ongoing indepth discussions so that the facts can be brought to the attention of partners, administrators, teachers, employers, and workers.

In this scheme vocational training is by definition a free choice construction of a future which is not deterministically definable. All actors should dedicate themselves to this task deliberately and knowingly. Vocational training cannot pretend to combat unemployment if it is not supported by social partner negotiations leading to a common choice of action. With regard to relevant decisions taken by public authorities, experience has shown that they lead to nothing useful unless they are supported by the social partners. A strategy of qualification within the vocational training effort is necessarily multilateral in character.

This approach is all the more effective when the impulse comes from below. Project planning and implementation will then be decentralized and stem from economic branches, enterprises, and territorial authorities, with participation on the part of associations being considerable in some instances. If vocational training programmes are to be properly geared to the realities of working life, there is a need for clearly defined objectives, careful allocation of resources, and effective coordination, all of which is impossible to achieve unless the unqualified good will of all persons and institutions involved can be counted on.

Finally, vocational training can be only one of several instruments supporting an overall policy aimed to combating unemployment. It should by no means be disassociated from the other instruments, in particular economic policy, technological policy and demographic policy. It presupposes the existence of an economic and social development plan which reacts on all the determinants of employment. Understood as the expression of choice in favour of more worthy employment, it participates in a project of society in which work refinds its proper place and reacquires its value in the eyes of man.* If return to full employment signifies a new social order, none of the forces, be they country-internal or country-external, which have an impact on the production system should be neglected. The efficient utilization of vocational training in the fight against unemployment obviously presupposes first of all that none of the multiple causes of unemployment be left out of consideration.

* John Paul II: Encyclical *Laborem exercens*. September 1981.

* Obtained either outside or inside the employing firm, depending on the nature of the relationship between the worker and the employer.

** In particular the 'quality circles', 'Productivité et qualité de vie au travail', Dossier No 27. CEREC. *La documentation française*. Paris, May 1981.

*** Since this article is limited in length, it is not possible to deal with various programmes directed to specific categories of gainfully employed persons. Can one, however, speak of employment for women, migrant workers, and the disabled without referring to their training?

* 'Current vocational training affairs - consequences of the development of relations between training and work'. *International Labour Review*. Volume 118, No 3. ILO. Geneva, May-June 1979.



Vocational training

Is it an effective weapon against unemployment?

The problem of unemployment, first among young people and now, ever-increasingly, among adults, has almost always been treated as a separate part of the crisis that struck almost all industrialized countries in the second half of the seventies. For this reason it has generally been isolated from other major economic problems, such as inflation, slackening development etc, and was, at least initially, reduced to a problem of mismatching between supply and demand; only latterly, as a result of the demand for professional training brought about by the introduction of advanced technology, particularly computerization, has a link, albeit indirect, again been made with the problems of accumulation of capital and its economic and organizational repercussions. Never has the link actually been extended to macroeconomic problems in their entirety; Keynes politics of demand being taken for granted and the fluctuation of inflation and balance of foreign exchange being considered independent and autonomous. At the same time and as a result of such an attitude, the phenomenon of unemployment has been considered above all in its qualitative aspects and treated more as a social than economic problem.

This has represented a new approach in the history of economics and politics. The crises of recession which struck advanced economies between the two world wars had in fact placed unemployment and means of combating it at the forefront of social and economic debate. Such attention, however, had always centred on quantitative factors instead of focusing on the nature of the unemployment or employment.

What was the reason behind the radical change of attitude between the thirties and today? The fact is that the labour force had always been thought of as substantially homogeneous, and therefore interchangeable and transferable. At the same time

there was a substantial and often uncritical faith in the market's capacity to organize production in the best way and to smoothly and rapidly adapt to changes in the nature of the demand and in technology.

But this attitude was mistaken. In many countries, unemployment was the condition which allowed profound restructuring, which, at the same time, influenced how and what to produce, with relevant effects on levels and dynamics of production. The perception of such factors and the ability to translate them into practical politico-economic formulas has meant an important step forward because of its implications. Unfortunately it has also meant a step backwards: the rediscovery of the nature of the labour force and its existence as a social and cultural entity, as opposed to an inert and amorphous 'production factor' similar to any other production input, has in fact meant, at least for the moment, a disregard of the whole and an inability to appreciate the inter-dependencies of the system and the macroeconomic implications in general.

This perhaps explains why, from the middle of the seventies, as Keynesian measures gradually proved themselves more and more useless at curbing high rates of inflation and unemployment, the governments of most industrialized nations relied more and more heavily on a heterogeneous and confused set of instruments, which they pompously called 'active manpower policies'. As we have already said, this meant different measures, almost all of which had been borrowed from preceding policies in the social and industrial sphere (sectional and particular experience, therefore) which were linked by two certainly not common denominators:

(1) having been structured on a qualitative and organizational plan and thus not reducible to mere expenditure;

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born in 1941, holds a degree in law. He was appointed professor of economics, political economics, and finance first at the University of Cagliari and then at the University of Ferrara. In 1973 he was called to the University of Rome as a full professor. He is at present Director of the Institute of Economics at the Faculty of Statistics of the University of Rome.

His first main fields of interest were taxation and fiscal incentives at enterprise level and related oligopolistic problems. He has since concerned himself in the main with educational economics and labour market problems, both in relation also to problems of government intervention, and more generally with social policy problems and the rationalization of public action in this field.

(2) being practice without theory or, rather practice not based on an organic, theoretical view.

This long introduction serves to explain the climate of substantial uncertainty which characterizes the appraisal of the effects of such policies, especially those which rely on a quantitative and qualitative widening of vocational training; such uncertainty is in many ways surprising when one considers how long European governments in particular have been following this course; and an uncertainty apparent in the fact that the subject of this article is whether or not vocational training is a valid weapon with which to fight unemployment.

I would like to begin by pointing out an error of judgment into which most countries seem to have fallen. It has been noted that unemployment is not homogeneous; from the middle of the seventies (and first of all in Italy), it not only affected young people in a more than proportional way but, amongst them, it tended to discriminate against those who appeared to be the least qualified (even from this point of view Italy seemed to be an exception, since unemployment seemed to involve those youngsters who were more qualified). This was immediately translated into a standard axiom as simple as it was false: since the level of

employment has proved to be positively correlated to the level of qualification, if we increase the latter (by higher to professional education) we will increase the former.

This reasoning does not hold water and holds even less if one upholds the hypothesis that – *ceteris paribus* – the demand for labour by employers, or to use a more common expression, the number of jobs vacant, depends (positively) on the rate of demand for goods and services and (negatively) on productivity: a hypothesis which is not only yet to be questioned but which lies behind the macroeconomic policies of various governments. So, for a given rate of global demand and for a given productivity, the number of jobs is given; against this we have to place a larger number of young people seeking work. The probabilities of getting a job for each one of them are not equally distributed, but the most qualified have more chance than the others. If action is taken to further educate the less qualified, it does no more than re-distribute these probabilities which may be of use in terms of social equality but nothing else.

Of course, the above is valid only if one assumes, for argument's sake, that the average productivity of the group of people employed does not improve as a result of vocational training. In fact this hypothesis can immediately be dismissed if one assumes that:

(1) a positive correlation between the individual's qualification and his productivity (or his contribution to the productivity of the system) does exist; and

(2) that the redistribution of job probabilities does indeed enable at least some of the young people affected by the training schemes to find work. Well, still in conditions of *ceteris paribus*, the increase in average productivity ought to lead to a decrease in the demand for employment, because now a smaller number of more productive workers is needed to produce the same product as was previously assured by a larger number of less productive workers.

In other words, reasoning like this we arrive at the conclusion which may seem a paradox to some, that vocational training aggravates unemployment instead of alleviating it, as such programmes are supposed to.

This surprise (which should only be such to a non-economist) ought to disappear as soon as we apply – by analogy – the question to the oft-debated argument: does technological development destroy or create employment? Well, we can be reasonably sure that there will never be an unequivocal answer to this question. In fact we have to admit that increased productivity is bound to have such penetrating effects

on the system that we will have to abandon the hypothesis of *ceteris paribus* which, by binding the level of global demand, and thus of the product, led us to negative conclusions as regards employment. The question thus becomes: what effects of increased productivity could be set in motion in order to run the system so as to have a final demand increase more than proportional than the increased level of productivity? Only in these conditions in fact could employment increase.

Here we must acknowledge that the results of economic analysis become vague and inconclusive. Before considering the question, however, an important point must be made. It is more than likely that the immediate effect of vocational training programmes on unemployment will be nil (unless, obviously, such programmes were to remove certain bottlenecks in the availability of key professional jobs which had prevented the supply from being adequate to the demand; something which could certainly occur on a small scale but which would be unlikely otherwise). Great caution would then be needed to avoid leading the general public to expect a great expansion in employment as a result of vocational training programmes; this, not only to avoid general social frustrations and relevant political tension, but rather to avoid arousing a long-term negative public attitude towards vocational training programmes which, as I will explain later, need to be organized regardless of their short-term effect on employment.

But let us now return to ways in which the system might adjust so as to connect – in terms of consequence – increased productivity with increased demand for goods, and thus employment. Economic literature has indicated more than one way but always in relation to the effects of technological innovations. The ways suggested are all related directly or indirectly to a positive correlation between increased productivity and the rate of accumulation of capital, and thus growth; in other words, the increase in demand necessary to compensate for the negative tendencies of employment due to the increase in productivity would be initially provided by an increase in investments; then, following an increase in available income, also by one in consumer demand. These theories, which were all fundamentally laid down before Keynes, are no more relevant today; and not so much because they are based on hypotheses which are inapplicable to the 'laws' of distribution of wealth between classes and/or attitude of employers, but more because they seek to find mechanisms which 'spontaneously' increase the demand as if through market factors alone, without taking any account of public policies. It is clear that, after Keynes, this is not the problem, since, in principle, we do know how to manipulate the demand for goods. The problem today is different, because, after a brief Keynesian golden age, in which governments were effectively able to manipulate the demand towards expansion, economic systems seem to have developed destabilizing and inflationary feedbacks which have led govern-



SIMON

ments to use their manipulative capacity in an ever more restrictive way.

The problem must then be reformulated. The issue is no longer that of a causal connection between increased productivity and demand, but rather between increased productivity on the one hand and inflation and balance of foreign exchange on the other, that is, between increased productivity and factors which constrain the manipulation of the demand in the direction of expansion.

The argument seems obvious as regards external equilibrium: increased productivity should determine an increase in competition and therefore of exports. However, this is a rather precarious mechanism in that, if used by a country, it can only function for any length of time if no efficient countermeasures are taken by other countries, either consisting in competitive strategies aimed at increasing productivity, or in a further escalation of restrictive measures on final demand and on international circulation of goods. This method thus risks becoming a zero-sum game or worse.

The repercussions of increased productivity on international competitiveness are important, but seem therefore to fall into the category of purely defensive measures. So we must move on to consider the relations between inflation, productivity and capacity of internal demand to be manipulated towards expansion. Here it is not so much the lack of economic theories which is worrying but more so its excess: expectations, decreasing returns and conflict are seen by different economists as the basis on which the direct correlation between inflation and the activity rate of the system is based. But these theories are too general and too superficial to help us find a remedy. So, in this respect, we have to leave the problem open.

However, I believe that our attention should be shifted elsewhere. Whatever are the real (and not necessarily unique) mechanisms which lead to inflation (and this is an issue which I do not feel should be neglected) it is obvious that they are bound to be positively influenced by factors which stimulate or render the transformation of the productive processes more rapid or smooth, and it is from this viewpoint that one must reconsider the question of training. It is not just a matter of rediscovering the necessity of making the supply of goods flexible (which could, and tends to, be pursued through disciplinary measures on the labour market), but rather a more careful consideration of the motives which force companies to respond mainly and ever

more frequently to increasing demand by increasing prices instead of quantities.

The first point to make is that the fact of labour being a quasi-fixed input, in face of a high degree of uncertainty on the steadiness of the changes in the level and in the composition of the demand for commodities, could imply convenient options on response which are quite different from those traditionally envisaged by economists. Firms may firstly not respond at all (and it is clear that expectations on evermore restrictive government policies cannot but reinforce tendencies in this direction). Or, (disregarding the need for overtime and outside contractors) firms may find it convenient to respond only as far as technological transformation of the processes permits; in fact, the pay-off period for investment is, by virtue of collusive habits, short, while the burden of an equivalent variation of employment is bound to be felt for a long time if errors of judgment of size and variations of market openings are made. In both cases there will be a likely tendency to respond with an increase in prices, not only as a result of scarcity, but also because of the mere fact of firms conforming to this same general attitude: i.e. the uncertainty leads to a slackening in the traditional, actual and potential, mechanisms of competitiveness which constrain price rises, with the consequence of stimulating *ex ante*, and rewarding *ex post*, collusion aimed at a rise in prices.

The second point to make regards uncertainty again, but in a different sense. The hypothesis which is at the base of the traditional analysis of educational and professional requirements (for example of the models of manpower forecasting) is both static and deterministic: for each given process of production, the economic system would need a definite set of proportions of different specific, professional figures. Real world seems to work in a different way, since major mechanisms pull in opposite directions: all the professional and cultural factors associated with a given production process (or rather, group of processes) condition and influence the perception of possible ways of transforming the processes themselves, the choice of methods and the quickness and smoothness of consequent adjustments. It derives from this that it should be convenient to have an 'excess' of human capital (as opposed to what might appear necessary in the hypothetical context of perfect certainty and knowledge, upon which, unfortunately, most economic analysis seems to be based); and, consequently, in excess also of what might seem opportune on the basis of a superficial *ex post* evaluation.

This leads on to a third and final consideration. Just like the need for vocational training, so the demand for goods and services is not a known fact nor a homogeneous whole. Latent or potential demand options, able to activate, or be activated by, supplies which are elastic and associated with decreasing costs exist alongside demand options with high inflation potential. Supply and demand policies must therefore be combined selectively and suitably timed. This all means an increase in vocational training and knowledge, not just limited to the sphere of production in a strict sense but rather extended to everyone concerned with the system's organization: companies, trade unions, public administration, and the scientific and cultural world. And economists, in particular, ought to be asked to make a braver attempt to integrate their abstract analyses with a specific and inductive knowledge of things and their qualitative values.

The direction of training during a period of high unemployment

R. Meredith Belbin

Institutions are designed for continuity. The problem, however, is that they tend to perpetuate a relatively short moment in time when their foundations were laid down and their ideals, traditions and ways of working were cast. Institutions cannot change quickly even when events seem to dictate that this should be so, without some loss of stability, or efficiency or purpose. Yet no institution can afford to ignore for long a significant shift in the fortunes or prospects of the population for whom it caters. This is the problem presenting itself in the general field of training and education by the sudden and prolonged surge in unemployment among young people in recent times.

On the whole education is affected less than training by the cold draught of the recession and may even have received a boost since many people, especially school-leavers, welcome an acceptable means of escape from the harsh alternative of chasing jobs, or engaging in economic activity, in an unfavourable period. The opportunity provided for growth of education is counterbalanced only by the squeeze in public funds that a recession brings in its wake. During such a period, it can be argued, education could well expand into vocational areas for which more money is likely to be available; but this does not always happen. Vocational subjects tend to respond to the vagaries of the job market and so introduce a note of uncertainty. Will the looked-for job be there at the end of the course or not? If it is security that is the prime consideration then there is more of it to be found in further education undirected towards particular goals and where such questions do not arise at least for the time being. A diet of proved and constant course material can be assured, so providing a sort of psychological protective cover, albeit temporary, for its beneficiaries. The inner core of education remains intact, inviolable and unaffected by the changing employment scene.

When it comes to training, the impact of a recession strikes more deeply for reasons we will see in a minute. Yet training is in the privileged position of being one of the few

activities to enjoy immunity from financial cutback. This is due to the general recognition that some form of occupational training is essential if those with no immediate job prospects are to be successfully absorbed into the world of work. The real problem a falling job market creates for training is not one of shrinking funds but one of uncertain direction. A depression destabilizes training. It strikes at its heart.

One feature of the semi-full employment scene is that training policy has adjusted itself to what in a sense may be termed regionalized recession. What happens to that policy when general recession sets in? It would seem that training for mainstream skills continues in much the same way. The change in the context of training is of some considerable importance, yet not enough to disturb the systems and procedures established for mainstream training in the skill-centres. For one thing it takes a great deal of energy to dismantle or to make any radical adjustments to any system once it has been set up. Secondly, the case for doing so anyway is only marginal. During a recession the demand for those who graduate from skill-centre courses is often sharpest in areas which are most prone to unemployment. The decline in job opportunities reduces the numbers who apply for training places. But the case for continuing with mainstream training policy rests on two prime considerations; first, training absorbs a section of the labour force that would face the stark alternative of unemployment. The public cost of training has to be set against the public cost of maintaining those who would be otherwise unemployed plus the costs of closing down already established training facilities. The social costs of taking away facilities from already seriously depressed areas also cannot be neglected. Training during a recession helps to avert the damaging human consequences that result from lay-offs. On the positive side publicly-funded training during a recession helps to bring about eventual economic upturn since it acts as a counterbalance to the decline in training that associates itself with the falling income of private companies. If this counterbalance were not there the response to the recovery of markets would be slow. Bottlenecks caused by the shortage of skilled labour would in effect prolong the recession.

Nevertheless the counter-cyclical use of training entails certain risks. The timing of a recovery is subject to considerable uncertainty. There can be training for stock, just as firms may manufacture for stock, but there are limits to desirable stock size. If recovery is delayed a flood of trained people may damage the interests of experienced workers who are already without jobs and the enmity created may have long-term effects. Stocks can deteriorate and so can untried, recently acquired, human skills. Inexperienced trainees may be less competitive on the labour market than experienced workers. There is above all the danger that where training is producing an output that is not seen as relevant to the times, the image of publicly-funded training is itself harmed. During the recession training must become less cost-effective, at least in the short term, than at other times and hence some decline in the scale of publicly-funded training may be expected.

Let us now move from the subject of recession to depression. This brings us back to the question posed at the beginning. Depressions in the labour market occur when a scarcity of jobs is no longer considered a temporary phenomenon. This presents a different type of problem and must have unfavourable implications for the continuance of training in the traditional mainstream skills.

Unless changes are made we may retain institutions that reflect the past and are not adapted to the future.

Depressions of the labour market are of two types, localized and general. With the former we may consider the case of a particular locality that suffers from a gross shortage of jobs out of line with job positions in other areas. How can training help employment in a depressed locality? The pattern which the Manpower Services Commission has pioneered has been to concentrate on combined work and training schemes, especially those directed towards youth. Another important development has been the initiation of work experience programmes which have established for themselves an impressive record of success in the placements achieved. These various approaches have advantages over programmes based on the more conventional skill-centre training courses in that they do not presume the

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existence or future existence of vacancies in particular trades. YOP and work experience programmes are adapted to take advantage of any jobs that happen to be around or which might be fostered in firms in the locality.

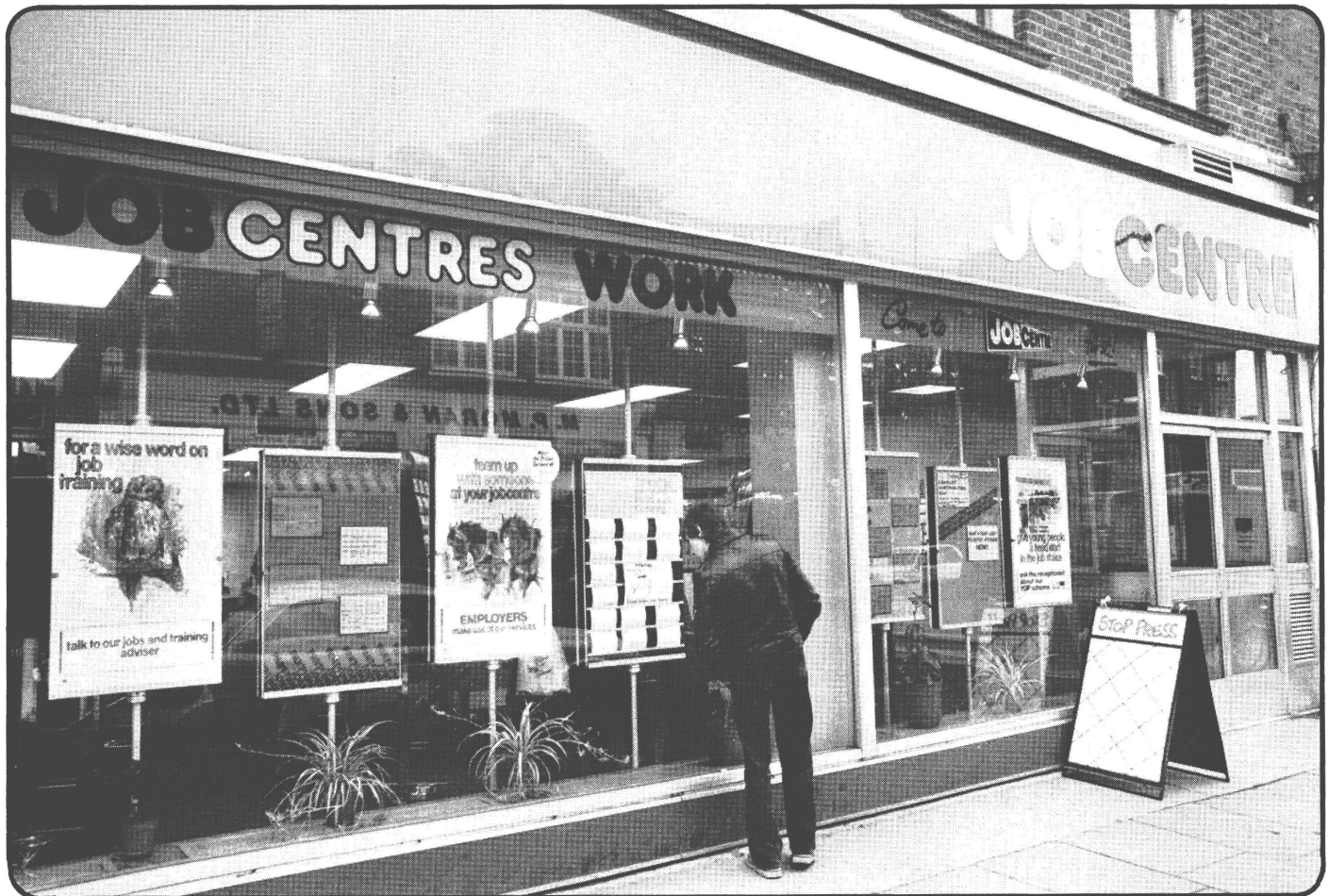
Let us elaborate. By definition, industrial training is a structured way of imparting specific skills to people who need them to secure employment. Unlike education, training can never separate itself from the state of the labour market. In Table 1, which I have borrowed from a previous paper, I have argued that there is an intimate connection between the employment scene, the case for training and the type of training needed. When there is a brisk demand for labour in the labour market, training can be streamlined. Well-organized courses are run by trainers who have direct job experience of the occupational skills they are imparting. This is broadly true in over-full (A), full (B) and semi-full (C) states of employment. However, between the employment states of C and D an element of discontinuity creeps in. It happens in this way. A well-established training course has a momentum of its own; it is usually furnished with first-rate equipment, training materials and premises either pur-

pose-built or purpose-adapted: above all it will have a staff whose background and experience equip them to offer training in mainstream skills such as bricklaying or capstan operating/setting for which in the past there has been a steady labour-market demand. This investment in resource creates a pressure to ensure that the course is fully loaded with trainees, for otherwise the trainers or instructors would be out of work and perhaps even in need of retraining themselves if they were to be settled in alternative jobs. The effect of the pressure is that well-established training courses often oversupply a labour market producing a glut of trained workers who kill demand for some time to come. The feature of the labour market in a recession is that it cannot absorb a stream of labour with identical skills. The jobs that are available, being miscellaneous in nature, are much less definable. This means that people cannot be pointed towards known work and trained in a methodical way to acquire skills likely to offer immediate job proficiency on placement.

A choice now has to be made. The system can carry on as before on the grounds that 'training' equips a person generally for the world of work; and equally that the specific

skills acquired may eventually be used, if not forgotten, when the labour market picks up. This approach is known as 'training for stock'. The alternative is to dismantle the whole approach to training which is based on the teaching of particular job skills. In its place young people are developed for work and in work. Hitherto training implied a formalized and standardized programme of instruction directed towards some given occupational skill. Where there was a brisk demand for labour a training course built on these lines could fulfil the expectation of those it trained. Once jobs could not be assured, training had to take on a new meaning so trainees had to be developed to enable them to take advantage of opportunities in the labour market. Some have argued that this is not really training. This may be right.

In Table 1, I have tried to present a simplified picture of what we have found in our studies about how various states of employment impinge on training. With the deepening of a recession the developmental aspects of the approach to young people out of work tends to take precedence over the training aspects even though the word training is still employed to describe what it is they are receiving. Make-work schemes for



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example have very little training content: they are broadly temporary jobs devised to serve the community and wholly dependent on public funds. Young people are kept occupied and developed in a social way but they are not learning skills that will serve them well in the labour market. Another type of programme that has come to the fore is based on a combination of work and training and centred on training workshops where the trainees are often employed on some form of contract work. This has the advantage of engaging the full interest and attention of trainees and convincing them that they are undertaking real work in an environment in which real work opportunities are fast disappearing. In these programmes young people are learning but they are not following a standard training curriculum. The training workshop is in effect offering something very similar to WEEP but in a public training establishment rather than on an employer's premises.

In very depressed areas not only has the character of training changed but the target population too. The recognition that there are few jobs available has had the effect of channelling resources towards those people who have some prospects of starting a business. Increasingly the recipients of training encompass those who stand a chance of keeping themselves going as 'own-account workers' as well as those who are endeavouring to set up more sophisticated companies that can provide employment for others besides themselves. In effect there is a narrowing in the popu-

lation that training is designed to serve. Unemployment is most likely to hit the unskilled and the semi-skilled for whom training offers a real means of improving their chances in the labour market. Yet analysis of records shows that fewer 'blue collar' workers enter training. It is not that conscious discrimination is operating against them but rather that in a depressed locality the labour market is already over-supplied with operator-type skills.

In a word public training policy faces a very special sort of dilemma during a depression. On the one hand the social need for publicly-funded training is high (see *Table 1*). Training can serve to keep youth usefully occupied and free from the corrupting influence of unemployment. A trained and occupied labour force can offset the domino effect of area decline and retain an area's future potential for economic recovery.

On the other hand in times of depression the return from the investment of public funds in training falls (see *Table 2*). Conventional training establishments have to be closed due to their falling cost effectiveness or they add further to the burden of a sagging economy. If growth in employment is one of the prime aims of public manpower policy then this is likely to be achieved during such a period not by training labour as in a boom but by concentrating on those who are likely to provide work for others. New types of education and training programmes have to be developed and aimed at

the job creators. Marketing personnel is important here for fulfilling short-term needs. For longer-term needs the growth of employment depends more on a partnership between entrepreneurial businessmen and technical innovators. These are the people who are capable of producing industries with new products or services the demand for which gives employment a sustainable base.

Businessmen and technical innovators are not of course trained. They are educated, they develop, they grow, they are bred or they arrive. If the right conditions prevail they have a way of appearing as though Aladdin's lamp had been rubbed. The source of their coming may be of no more than passing interest since relatively few are needed to set in motion employment-generating enterprises. The main issue for public policy concerns the strategy of back-up, how limited resources can best be employed and whether or not these should be temporarily redirected so as to assist the employment-generating process.

These issues of public policy to which this article has sought to draw attention can be faced with confidence if our institutions can show sufficient flexibility to meet the challenge. There are signs that this is already happening. Some training workshops* have

* An example of just such an operation comes from Coventry's Topshop, one of Britain's largest and most successful training workshops.

Table 1

The relationship between the state of employment and the social need for publicly-funded training

	State of employment	The need for training resources	The case for training	Type of training needed
A	Over-full employment	Medium	To prevent overheating of economy and wage inflation	To provide key skills in short supply
B	Full employment	Low	To assist the process of rapid change	Conversion training
C	Semi-full employment	Medium	To overcome mismatches in the labour market	Training for mainstream skills
D	Recession	Medium-low	To prevent the run down of human resources To act as a spur to recovery	Training for stock Assistance with work Experience schemes
E	Localized depression	Medium	To offset the domino effect of area decline	Make-work schemes Combined work/training operations
F	General depression	High	The need to transfer people from economic dependency to self-financing operations	Sophisticated training and development programmes

Reproduced from 'Some policy options in reducing unemployment', *BACIE Journal*. London, October 1981.

embarked on major market-orientated development projects. These projects are in effect offering a form of vocational education for the unemployed enrollees in the programme while embarking on difficult and labour-intensive development work.

The public subsidy of labour does not threaten to unsettle the market through unfair competition, for development takes place prior to trading and is not therefore a production cost. This means that young people can engage in real worthwhile and

sophisticated projects that have a chance of leading somewhere without creating political and commercial embarrassment.

If we are to reach some general conclusions about the issues raised in this article three main points seem worth making.

Firstly the state of the labour market materially affects the capacity of institutions in vocational education and training to achieve their external goals and the expectations both of their clients and of society itself. Secondly, institutions will need to

change rapidly both in terms of their staff, their methods and their approach if the relevance of what they have to offer is to remain high under fluctuating employment conditions. Thirdly, the rigid divisions between general education, vocational education, training and development should be removed if institutions are to meet the more general needs of the community they serve. Those needs are changing fast. We should heed them closely. For otherwise we may end up pursuing goals that are socially obsolete.

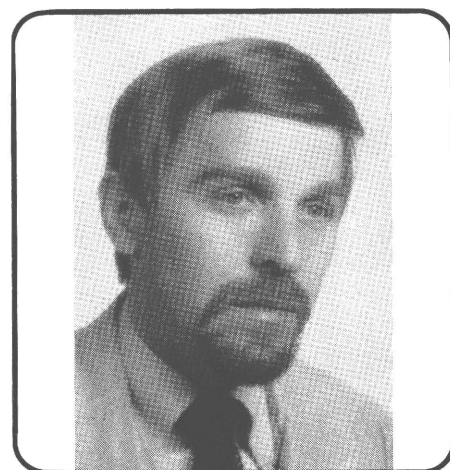
Table 2

The changing spectrum of training for the growth of employment

State of employment (from Table 1)	The placement prospects of those completing training	Sources of new jobs	Manpower critical for employment growth	The relevance of training for employment growth
A and B	Good	Firms expanding to meet unsatisfied demand	to Blue-collar workers	High
C and D	Uncertain	Identified market gaps	Marketing and commercial personnel	Medium
E and F	Poor	New products and services	Entrepreneurs and technical developers	Low

Unemployment and the expansion of education

Manfred Tessaring



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In the light of high unemployment in the Federal Republic of Germany – almost two million as of January 1982, coupled with financial problems in connection with the national budget and pessimistic economic prospects for the coming years, one of the most urgent tasks challenging all levels of political, scientific, and social life is that of identifying the most suitable measures with which to combat unemployment. Whereas, however, measures such as job creation programmes, cutting of wages and salaries, promotion of technology, reduction in the number of weekly working hours, and early retirement are receiving much consideration, the possibility of reducing unemployment and increasing economic growth by expanding and where necessary redesigning the education system has hardly been discussed.

This article deals with this problem complex from two points of view. From the point of view of the individual, firstly, the question as to whether or not qualified training can reduce the risk of unemployment is examined; from the point of view of the economy, secondly, the question as to whether or not an expanded education system can improve the employment market and perhaps even accelerate economic growth and thus increase the number of workplaces is taken under consideration.

Qualification-specific unemployment

Workers who are poorly qualified are the main victims of high and steadily rising unemployment; however, the situation is now such that qualified and even highly

qualified workers are also feeling the pinch of unemployment. Ever since 1973 the number of unemployed workers with an academic degree has risen constantly. It nevertheless remains true (although less so than in earlier times) that the unemployment risk lessens as the level of training rises. Qualified workers are better protected against this risk than are semiskilled and unskilled workers.

Table 1 covering the years 1975, 1980, and 1981 clearly illustrates this.*

These rough results need of course to be further differentiated. It is first of all

* For a more thorough analysis see M. Tessaring, 'Arbeitslosigkeit, Verbleib und Beschäftigungsmöglichkeiten der Hochschulabsolventen'. In: *Mitteilungen aus der Arbeitsmarkt- und Berufsforschung*, 4/1982, p. 391 ff.

Table 1

Unemployment and educational level, 1975, 1980, 1981 ⁽¹⁾

Level of training completed	Number of unemployed (1 000)			Unemployed in % ⁽²⁾								
				men			women			total		
	1975	1980	1981	1975	1980	1981	1975	1980	1981	1975	1980	1981
No training certificate ⁽³⁾	584.9	446.0	688.3	6.3	4.5	7.6	7.1	6.4	8.8	6.7	5.4	8.2
Apprenticeship, full-time vocational school	367.2	311.9	474.4	2.9	1.8	2.9	4.0	3.7	5.0	3.2	2.5	3.6
Technical school, school for masters, school for technicians	24.0	25.0	33.8	1.8	0.9	1.2	4.7	6.8	8.3	2.2	2.1	2.7
Technical college	14.9	13.6	19.0	2.9	1.8	2.4	4.9	4.0	5.1	3.2	2.3	3.0
Technical university	15.5	28.3	40.9	1.5	1.8	2.4	1.3	2.6	3.7	1.5	2.1	2.9
Total	1 006.6	822.7	1 256.4	3.8	2.5	4.1	5.4	4.9	6.6	4.4	3.4	5.1

⁽¹⁾ As at the end of September of each year.

⁽²⁾ Percentage of unemployed workers *vis-à-vis* total number of workers with the same level of training.

⁽³⁾ Including semiskilled workers and early school-leavers.

Source: M. Tessaring: 'Arbeitslosigkeit, Verbleib und Beschäftigungsmöglichkeiten der Hochschulabsolventen'. In: *Mitteilungen aus der Arbeitsmarkt- und Berufsforschung*, Volume 4, 1981, p. 391 ff, and recent calculations of the author.

evident that the spread of unemployment percentages for persons *with* completed training gradually levels off as time passes. In this levelling process the various curves of graduate percentages become evident, rising for technical college and university graduates and sinking or stagnating for apprentices and lower secondary school level graduates.

In contrast, the difference in unemployment percentage between unqualified and qualified workers increases as time passes. This trend is likely to continue, firstly because the number of unskilled and semi-skilled workers will increase as a result of the onrolling demographic wave crest and secondly, because a continued shortage of workplaces will create a situation in which higher qualified persons will be more likely to be selected for open jobs.

Secondly, differentiation according to sex is significant. At the present time the rate of unemployment among women at all levels of training is considerably higher than that among men. Furthermore, women workers have experienced the larger increase in total unemployment, although they constitute only 38 % of the working population. When classified according to level of completed training, the percentage trend for unemployed women runs approximately parallel to that for unemployed men, although the percentages are higher.

The high rate of unemployment results primarily from a drop in the number of jobs rather than from an oversupply of manpower. If the economic situation does not soon improve substantially, this fact will result in future products of the education system having even less chance of finding a job.

The present number of unemployed workers will have increased by 1990 by an additional one million persons looking for a first job, primarily as the result of young people of the baby-boom years (1960—70) entering the labour market. The maximum number of job-seeking graduates from each of the three main categories will come on to the labour market as follows:

- apprentices, about 1982—84;
- lower secondary school certificate holders, about 1984—86;
- university degree holders, about 1989—93.

Education as an instrument of labour market policy?

For a long time one of the tenets of the manpower investment approach to the expansion of the education system was that higher manpower productivity leading to economic growth and finally to increased consumption resulting from higher income led in turn to an increase in jobs. At the same time the findings of educational economics tended to make possible the realization of other educational objectives such as equality of opportunity; intergenerative status mobility; and political, social, and cultural emancipation of the citizenry. In the meantime, however, doubt has arisen that this fruitful give-and-take between economic growth and qualificational growth is still functioning. It is held that social and personal advantages of additional investments in training are negligible and certainly so *vis-à-vis* advantages of capital investments. It is also argued that an actual increase in productivity stemming from

better training has never been substantiated and exists only as an assumption in heads of entrepreneurs. Whatever the case, no one will earnestly claim that there is no inter-relationship between a high level of manpower qualification and technological (work organization-specific) innovations upon which an exporting country such as the Federal Republic of Germany, involved as it is in tight international competition, is economically dependent. Research, development, and creativity will continue to call for a high level of manpower qualification; this need will be met not alone but certainly in good part by a qualifying training.

It is the opinion of the author that in the short and medium term more and better training can lead in a marginal way only to achieving via the exercise of influence on economic growth a drop in unemployment, the latter being caused primarily by a shortage of workplaces.

As will be shown below, the expansion of education has a considerable repercussion on the labour market in that it reduces the unemployment rate:

- through manpower supply reduction, or manpower drain effect, resulting from the fact that young people remain at school longer,
- through manpower drain effect resulting from the fact that there is a greater need within the education system for teachers,
- through an increase in public expenditures for goods and services in the field of education which in turn activate consumer demand in the private sector.

Manpower drain effects of the expansion of education

Quite aside from the social, financial, and qualifications-specific problems involved therein, an expansion of the education system has the effect – positive in times of high unemployment – of reducing the number of first-time job-seekers. Apart from that increased demand for a qualifying training resulting from the demographic wave crest, increased demand for a qualifying training, together with longer periods of schooling on the average (for example, at university) or legal extension of compulsory schooling (for example, introduction of the tenth school year, the basic vocational training year, and/or the vocational preparation year) has already led to a considerable manpower drain from the labour market. In other words, without the expansion of education, unemployment figures would be considerably higher today. The argument that first-time demand for jobs is simply put off to a later time by such



VOLLMER

expansion is of course valid. On the other hand, the expansion of education also shortens the duration of working life. Furthermore, a temporally step-by-step entry into the labour market of graduates with various levels of completed training is of importance, insofar as first-time job-seekers of the baby-boom years thus enter the market successively over larger intervals precisely at a time when open jobs are very scarce. If, however, this high unemployment situation lingers on or becomes even further aggravated, it is obvious that also those young people graduating later and holding higher qualifications will find it difficult to obtain employment.

The manpower drain effect of the expansion of the education system has been found in many research studies to be considerable. In a forecast dating back to 1975, for example, Krelle, Fleck, and Quinke* found that in accordance with the alternative educational model selected, the number of workers in 1985 *vis-à-vis* the existing education system population (then 1970—72):

- would drop by 210 000 if the educational programmes of the Federation-Länder Commission on Educational Planning (preliminary stage of the Overall Educational Programme of 1973) were to be implemented;

- would drop by 579 000 if expansion were to extend beyond the programmes of the above Commission (extreme educational model);

- would drop by 1.1 million if the extreme educational model were to be rapidly implemented.

As development up to 1980 has shown, the Overall Educational Programme of the Commission has in many areas not been successfully implemented. The manpower drain figures cited therefore appear to be too high, as does the figure of roughly 1.2 million workers between 1970 and 1978 given by Wolfmeyer in 1981.**

In a rough calculation undertaken by the author of this article on manpower drain effects, the procedure is as follows:

- as a first step we calculated the trend in the number of pupils (students) and graduates in the various levels of training which would have continued up to 1980 or would on the basis of official demographic forecasts continue up to 1995 if age group-specific school (university) attendance figures had remained constant;

* See W. Krelle, M. Fleck, H. Quinke: *Gesamtwirtschaftliche Auswirkungen einer Ausweitung des Bildungssystems*. Tübingen 1975.

** See P. Wolfmeyer: 'Bildungsexpansion und Arbeitsmarkt'. In *RWT-Mitteilungen*, 1-2/1981, p. 97 ff.



VOLLMER

- as a second step actual age group-specific school (university) attendance figures as they have developed to date or will develop up to 1995, according to forecasts of the Ministers of Education Conference, are obtained;

- when these (potential) first-time job-seeker statistics, obtained via a shift analysis under the assumption that no expansion has taken or will take place, are compared with actual or anticipated new labour market entries, the following results are obtained:

Had there been no expansion of education during the period 1971—80, roughly 680 000 *more* young people during this same period would have either completed training or left school early. 540 000 *more* persons, or 80% of this group, would thus have entered the labour market than was actually the case. In other words, unemployment would at that time have been considerably higher, since it can hardly be assumed that the labour market could have absorbed such an influx of young people or that labour market policy measures could have narrowed down this influx.

It was mainly during the seventies that the extension of education succeeded in spreading out somewhat the onrolling demographic wave crest. From 1981 to 1985, on the other hand, the number of graduates at higher levels of training will increase whereas, without the extension of education, the purely demographically resultant number of graduates would drop slightly. During the first half of the eighties, therefore, no manpower drain effect will be felt. During the second half of the eighties the temporal shifts in the flow of graduates on to the labour market will become fully effective. Compared with status quo development, the forecast number of graduates from 1986 to 1990 will be higher by 400 000. Of these 400 000 persons, roughly 320 000

will seek employment. From 1991 to 1995 the number will rise to 600 000 more, of whom roughly 470 000 will look for work.

If efforts to lower unemployment figures considerably and increase the number of workplaces by the mid-eighties prove unsuccessful, the manpower drain effect achieved through the expansion of education during the seventies will work in reverse from 1985 to 1995. A further extension of schooling (for example by making training compulsory up to 18 years of age) would keep graduates off the labour market a few years longer. From a labour market policy point of view, however, this would be sensible only if a noticeable downward trend in unemployment could already be felt.

Teacher demand

So much has already been said and written about the problem of teacher demand that there appears to be no need for further comment here. There follows instead a brief review of the development of actual teacher supply up to 1980 in the various types of schools. It will furthermore be determined:

- how many teachers would have been required in order to keep the pupil-teacher ration (PTR) of 1971 constant, assuming that only the demographically resultant change in the number of pupils (demographic demand component) has been taken as benchmark;

- how many teachers would have been required if at the 1971 PTR not only the demographic demand component but also the study place demand component (change in number of pupils seeking a study place) had been taken into consideration;

- how many teachers were actually employed additionally (account having

been taken of both abovementioned components), thus improving/worsening the PTR (reform component);

■ how many teachers would be required in addition to the number employed in 1980 in order to achieve the estimated pupil-teacher ratios for 1995 as set by the author (Table 2).

The overall picture shows that in nearly all school types the increased number of teachers by 1980 led to an improvement of the pupil-teacher ratio. At technical college and (technical) university level, however, if the increase in demographic-specific demand and study place demand is properly taken into account, an additional 48 000 teachers would have had to have been employed from 1971 to 1980. If the estimated PTRs up to 1995 were to be actualized, again taking into account the demographic component and the study place demand component, a rough net total of 142 000 additional teachers would be required.

Demand effect of education system expenditures

The question as to what influences government expenditures for educational purposes have on the upstream and downstream economic sectors of private enterprise will now be dealt with briefly. High increases in expenditures for education now seem to be behind us. However, there is still a scarcity of quantitative analyses. In the study undertaken by Krelle, Fleck, and Quinke (mentioned above) the development of the demand, production, and employment structure up to 1985 was forecast on the basis of an input-output calculation carried out by the German Institute for Economic Research, taking each of the educational model alternatives into account (see above) as a frame of reference. In this calculation

the input-output structure of 1966 was taken as a constant factor.

The increase in direct demand in 1985 resulting from an increase in expenditures for education:

■ would, if the educational programmes of the Federation-Länder Commission on Educational Planning were implemented, be in terms of money DM 2 100 million higher;

■ would, if the extreme educational model were to be implemented, be in terms of money DM 7 200 million higher;

■ would, if the extreme educational model were to be rapidly implemented, be in terms of money DM 5 000 million higher than would be the case, were the educational system status quo to be maintained, in which instance total demand would amount in terms of money to an estimated DM 11 000 million at 1966 prices.

In other words, government expenditures for educational purposes have a considerable impact on demand in the private sector for goods and services. Profiting in particular are the building trade, small industry, the printing and paper processing trade, the electrical industry, mechanical engineering, and certain firms in the services sector. All these economic branches are to a large degree labour-intensive and therefore provide many workplaces.

Conclusion

The risk of becoming unemployed diminishes as the level of training rises. However, unemployment tends to level off with time among workers with completed training whereas the unemployment gap between these workers and untrained workers increases, with unemployment rising steadily in the latter case. Measures serving to expand education are not capable in the short or medium term of easing the current

shortage of jobs via productivity and economic growth incentives. They can only:

■ keep potential first-time job-seekers off the labour market temporarily by seeing that these young people stay in school longer. This manpower drain effect kept an estimated 680 000 young people off the labour market during the period from 1971 to 1980. After 1985, however, there will be no such effect because by then the young people with higher qualifications will be coming onto the labour market;

■ help to ease the labour market by retaining and training some young people as teachers within the education system itself. In some types of school, however, no additional teachers are required since the post-baby-boom age groups have already reached them; in other types of school, on the other hand, there has been no improvement in and in some instances even a worsening of the teacher supply situation. If, in the face of the steadily increasing number of unemployed teachers, the opportunity were to be grasped of improving teacher supply, the estimated 142 000 additionally needed teachers (rough figure) could easily be absorbed by 1995. Since benefit payments in accordance with the Employment Promotion Act (valid for roughly 80% of all teachers registered as being unemployed) would then become unnecessary, this measure would not be too costly from a macroeconomic point of view.

Increased government expenditure for education would in all probability have a stimulating effect on the employment market. Particularly advantaged by such a policy would be those economic branches in the private sector which are labour-intensive to a considerable degree such as the building trade, small industry, the printing and paper processing trade, and various firms in the services sector.

Table 2

Teacher supply and teacher demand up to 1995

	Primary schools and extended primary schools		Special schools and schools for the disabled		Lower secondary schools		Upper secondary schools		Vocational schools		Technical colleges		Technical universities	
	Teacher supply	PTR	Teacher supply	PTR	Teacher supply	PTR	Teacher supply	PTR	Teacher supply	PTR	Teacher supply	PTR	Teacher supply	PTR
1971 Teacher supply	211 500	30.6	23 800	14.5	41 400	22.0	80 100	18.0	53 000	39.6	7 700	15.5	56 400	8.5
1980 — Demographic component	- 31 000		- 2 500		6 000		14 400		17 200		600		5 300	
— Study place demand component	- 16 000		3 000		14 000		23 100		- 2 800		4 700		37 500	
— Actual supply	227 000	22.2	41 000	8.6	62 800	21.5	124 000	17.1	79 000	33.8	8 900	22.7	69 400	12.1
1995 Estimated demand	70 000	14.0	28 300	5.0	- 7 700	14.0	- 11 800	12.0	- 2 100	20.0	12 400	8.0		

100 000 young people

Training remains a chosen instrument in efforts to promote employment

Paul Dupouey

France has not succeeded in avoiding the grave problem of unemployment. In 1981 the number of job-seekers exceeded two million. This situation has a dramatic impact at human level. It likewise has a dramatic impact from the economic point of view: the public authorities freely admit the loss of revenue which such a tremendous number of unemployed workers (more than 10% of the entire working population) represent and the social costs directly or indirectly linked to this problem: FF 160 000 million according to a statement made by Prime Minister Pierre Mauroy in a speech which he gave in October of 1981.

In the course of his remarks Prime Minister Mauroy made the comment that 'by the end of 1982 there will be a turn downward in the unemployment trend'. In order to achieve this objective a number of important measures have been undertaken by the public authorities for the purpose of 'creating or freeing from 300 000 to 400 000 jobs'. Among these measures the most important one is that of achieving economic growth through increased consumption. An increase of 3% would lead to the creation of 150 000 jobs. Redistribution of work through reduction in the legal number of working hours per week or the encouragement of early retirement would free more than 100 000 jobs. Finally, other measures such as the provision of 'public sector jobs' and the 'young volunteers contracts' would 'enable several tens of thousands of persons to find employment'.

None of these measures are of such a nature, however, as to be able to regulate directly and in a specific manner a fundamental problem of society, namely, the large number of unemployed young people who have left school without having obtained a vocational qualification and whose general training is not such as to

allow them to hope for satisfactory employment. Of all job-seekers 45% are less than 25 years of age, and many of these young people are seriously in danger of ending up in a fringe-group existence, within which subgroups such as young second generation migrants, for example, find themselves faced with difficulties of a special nature.

In order to tackle this problem properly, which stems by no means solely from the school system, the French Government commissioned Professor Bertrand Schwartz, an academic who is well known for his studies and research work in the field of adult education, to prepare a report. Submitted at the end of 1981, this report, to which authors representing all groups concerned have contributed, is characterized by an openness of spirit, a broad concept of the educational scene, and a truly realistic approach. It calls upon all partners of social and economic life to join together in con-

certed action. It stresses that the prerequisite to training must necessarily be that of so preparing young people that they are at ease in entering the working world, a task which both the school and the family environment sometimes fail to take in hand. Alternance training, or linked work and training is, moreover, recommended in this report as being the most effective way of providing young people with the vocational qualification they need.

This commissioned report is concerned primarily with young French people between the ages of 16 and 18. The structural objective is to offer these young people 'the possibility of acquiring social and vocational qualification. It is the responsibility of the State to make certain that they are prepared in such manner as to enable them to meet the challenge of the labour market and fulfil their role as citizens'. Professor Schwartz states furthermore that 'it is abso-



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lutely necessary as regards vocational qualification to deliberately break with Malthusian theories'. 'It is a national obligation to make qualified training available' to all young people who at the age of 16 leave school without having acquired a vocational qualification, an obligation which the public authorities have already recognized. In fact, a very ambitious programme for this age group has already been launched. Other programmes inherited from former governments and designed for other categories of young job-seekers and for unemployed adults are being carried forward, certain changes having been made as a result of experience gained. Finally, companies which are having problems and are switching over to new technologies continue to have the opportunity to negotiate with public authorities concerning in-company training measures for their personnel, who can then remain with the company or be better prepared to find a new job in the event that they have to be laid off. It is evident that in France training remains a chosen instrument in efforts to promote employment, with emphasis now being placed by the public authorities following the change of government in May of 1981 on the 'qualifying' aspect of vocational training.

Alternance training for young people

The most important innovation in 1982 will be that of setting up a training project which at school-opening time (September, October, and the following months) will make possible 'the vocational and social integration of young people from 16 to 18 years of age who have left school without having undergone vocational training and who cannot find employment', as is stated in a communication of the Minister of Vocational Training addressed to the prefects. In line with the conclusions of the commissioned report the French Government has decided that the project should take the form of alternance training lasting up to two-and-a-half years, the objective of which would be 'the acquisition by young people of vocational qualification'.

The ministerial communication states that 'this objective is to be closely followed, the purpose being to train young people in occupations and activities for which there is labour market demand'. Each year 100 000 young people should benefit from alternance training.

What is meant by alternance training? The ministerial communication clarifies the general principles as envisaged by the new administration. Alternance training is to 'lead to a recognized qualification', namely 'a title or diploma awarded by the State', a 'standardized title' recognized by a commission of experts, or a 'qualification recognized under a collective agreement of the respective occupational branch'. In the perspective opened up by Professor Schwartz in his report the public authorities are to establish that 'the procedures leading to the acquisition of this qualification are above all to be based on the system of multidisciplinary units of credit'. This system, already in operation for certain diplomas, provides for acquisition of a qualification via the accumulation of units of credit, or completed intermediate training modules, which can be totalled up in the course of time to lead to an award of the same official title as is obtained via a traditional final examination. A number of future beneficiaries of alternance training have already begun training or perhaps had work experience, and for this target group a proposed 'system of recognition of acquired vocational knowledge and know-how' is now being carefully discussed by relevant authorities.

Young people who intend to undergo alternance training must not be older than 18 when they start. They will benefit from social insurance (health and accident insurance) as regulated by the legal status established for vocational training trainees, under which status they will fall. They will receive under contract an allowance which will suffice to cover their living expenses while in training without being so excessive that alternance training becomes more attractive than traditional vocational training and thus lures trainees away from the latter.

All firms except those providing only temporary work are invited to participate in the alternance training programme. The public authorities and the occupational branches will, on the basis of skeleton agreements, determine the general modalities of placing young people in firms of the various economic branches and identify the optimal procedures of articulation between periods of training and periods of work, bearing in mind the specificities of the various production sectors. Every firm with more than 49 employees will have a say with regard to the number of trainees to be taken on and the nature of the job tasks envisaged for these trainees.

The task of the training establishments, which can be sited in either the public or the private sector, will be to set up the overall training structure, design training curricula, find firms which are willing to take on trainees under the alternance training programme, and define with these firms, in close collaboration, their specific roles in programme implementation. The interministerial communication contains precise information in this respect (see below). A further obligation of the training establishments is to encourage young people to take advantage of this opportunity to acquire a vocational qualification and to inform them concerning employment opportunities which are in line with the qualification they will obtain.

Far-reaching reorganization of careers guidance

Such a training system would remain inadequate if its only aim were to ensure qualified training for young people already interested in obtaining a vocational qualification. Again in line with conclusions drawn in the report submitted by Professor Schwartz, the public authorities are in agreement that those young people whose fringe-group existence tends to put them out of the reach of ongoing promotional actions should by all means benefit from these alternance training measures. In addition to publicity campaigns which until now have been aimed at launching special training programmes within the youth employment effort, a complex and highly innovative system serving to improve the social conditions of young people is to be introduced. The intention of the public authorities is to thoroughly reorganize the vocational information and careers guidance structure. As is stated in the report submitted to the Prime Minister the task at hand is to 'restrict the distribution of work between the various actors, now intervening in much too fragmentary a manner, and to strive for greater effectiveness'. In using the word 'actors' Professor Schwartz is referring to employment services, careers guidance centres of the Ministry of National Education, municipal services, social services and associations, etc. The setting up of a careers guidance system, which has long been demanded, will now become an interministerial obligation at national level and a multipartite obligation at local level!

In all towns with more than 10 000 inhabitants an ad hoc extra-municipal commission



is to be constituted, its members representing all interested parties, namely, national education departments, agricultural education services, youth and sport departments, employment services, socio-educational services (young workers' residence halls, youth centres, cultural centres, etc.), and management and labour. This commission is to find out how many disadvantaged young people there are in the town, set priorities, and determine what resources are required in order to become operative. The commission will then set up a careers guidance committee answering to one of the parties represented in the commission as decided by commission consensus; this committee will then be the recipient of public funds.

Going still further ahead in this direction, the public authorities intend to set up local careers guidance and social orientation centres for young people. Limited in number, these centres can be established in volunteer townships, in zones covered by the social development programme for deteriorated town districts launched under the national plan, in rural zones, and, on a pilot project basis, in one of the 22 administrative districts. The task of such a centre will be to coordinate within a given geographical area efforts to improve the vocational and above all the social integration of

disadvantaged young people into working life. What is involved, as is proposed in the report of Professor Schwartz is a 'volunteer action' geared as 'closely to young people as possible and aimed at dealing with their problems in the various interrelationships involved and at coordinating the frequently isolated measures undertaken in their interest', relying thereby on 'full administrative, social and economic support'. For young people for whom the expected comprehensive efforts of these committees and these centres to disseminate information fail to be of help in connection with career selection, group careers guidance and information courses lasting several weeks are to be set up. Since adults will also be attending these courses, the young people will have a chance to familiarize themselves with certain occupations and to find out what gaps exist in their own vocational training. The trainee-trainer/adviser constellation will ensure that the training undergone leads to a qualification which has been 'selected rather than resigned to'.

The young volunteers programme

A further innovation, the young volunteers programme, organized under the aegis of the Ministry for Youth, Sport and Leisure,

is expected to lead to the social and vocational integration of roughly 10 000 unemployed young people between the ages of 18 and 26 and to enable them 'to discharge for a period running from six months to one year a task of general interest accompanied by the provision of training'.

The young people participating in this programme will also be covered by social insurance under vocational training trainee status regulations. Training can be provided by non-profit institutions such as associations engaged in activities which are of general interest, territorial authorities, public enterprises which are neither industrial nor commercial in nature, and perhaps the national foreign services.

No type of work will be excluded, provided it is in compliance with the following criteria: it must be of general interest, it must have training value, it must not be in competition with labour market job openings, it must meet a social need not yet satisfied, and it must facilitate the social and vocational integration of young people into working life. This 'on-the-job' training can be supplemented by appropriate measures of practical training and theoretical instruction.

The State will assume responsibility for part of the allowance to be paid to the young volunteer, who will be invited to participate in the preparation of the agreement to be reached between the State and the respective training establishment. In launching this programme, which is in answer to a long-standing demand on the part of numerous youth associations, the principle of decentralization is again reinforced.

The spirit of adventure

Current economic difficulties do not seem to hinder to recrudescence of a spirit of adventure. A great many young and less young persons (staffers, qualified workers, technicians) have expressed interest in establishing their own industrial or craft enterprise but are aware of the fact that they do not possess all the knowledge and skills required. In order to meet this training need the Adult Vocational Education Association (AFPA), an organization directly responsible to the Ministry of Labour, has proposed that management courses comprising 160 class hours be conducted for oncoming entrepreneurs. Other organizations have already proposed such courses but they are in general less detailed, shorter,

and above all tailored not to the needs of the qualified worker and the technician, as are the AFPA courses, but rather to the needs of managerial personnel and the like.

Improvement of initial vocational training

Paralleling this systematic exploitation of continuing training possibilities in efforts to increase employment are measures aimed at revitalizing initial vocational training. In the spring term of 1982 the Ministry of National Education introduced a series of measures designed to keep 5 000 pupils of technical secondary schools from leaving school before the end of the school year. An additional 15 000 pupils are expected to enrol in the autumn term of 1982. Changes have been made at these technical secondary schools in order to attract more pupils, and study allowances have been increased considerably.

The apprenticeship system, the oldest of all systems in France preparing for working life, is not to be abandoned. After having for a long time been suspected of diverting young people of school age away from school as manpower for the labour market, the system is now finding that its effectiveness in fostering vocational and social integration is finally being recognized. Measures will nevertheless be taken to improve the apprenticeship system, in particular in connection with the protection of the apprentices.

For young people from 18 to 25 years of age who, as with other categories of young people, find themselves in a difficult situation, the employment measures launched in previous years under the term *pactes pour l'emploi* (employment contracts) and *plan avenir-jeunes* (programme for young people's future) will be retained, following modification made in accordance with experience gained and reorientation towards qualification or, in the case of employment contracts, towards improved vocational integration. The main measures involved are work-training contracts (a work contract concluded between a young person and an employer which also covers training provided by the firm, for which the firm receives financial aid from the State); in-firm training lasts six months, during which the young person becomes familiarized with the work of the firm and in many

instances stays on as a full-time employee upon completion of training; vocational preparation courses which take the form either of long-term training leading to full vocational qualification or of vocational orientation for young persons in difficulty; and courses in specific skills organized by the employment services in order to enable employers to fill open jobs which have attracted no registered job-seekers, with job openings being guaranteed by the employers at the end of the courses.

'No new institutions will be created' to undertake this vast information effort. As Marcel Rigout, Minister of Vocational Training has stated, his action will not be tantamount to a 'second Ministry of National Education'. This would be running counter to the very spirit of the project, which calls for the 'mobilization of all partners'. Operational costs will be covered by public funds whereas material needs will be met for the most part by making optimum use of existing resources.

General principles of alternance training

On the occasion of the establishment of a plan for the vocational and social integration of young people between 16 and 18 years of age, Marcel Rigout, Minister of Vocational Training, sent a communication to the regional prefects devoted primarily to the general principles of alternance training. Among the most important of these principles are the following:

'Understood as a global pedagogic project, alternance training consists of periods of general training and theoretical instruction provided by a training establishment on a contractual basis articulated with periods of broadly conceived practice-oriented in-firm training. A two-way line of coordination is in operation between the properly equilibrated periods.' (. . .)

'The objective of alternance training is the acquisition of a recognized qualification. (. . .) In increasing measure alternance training should lead to acquisition of a diploma awarded by the State, a standardized title, or a qualification recognized under a collective agreement of an economic branch. (. . .) Training should be characterized by flexibility, making full use of innovative technologies and vocational aptitudes and of training content adaptation to specific job needs.'

'The procedures leading to acquisition of such qualification will draw heavily on the system of multidisciplinary credit units. A

young person who leaves off with alternance training without having acquired the above-mentioned qualification will enjoy priority of access to such training at a later date for the purpose of completing training and obtaining his/her qualification.'

'The main purpose of the periods of in-firm training is to consolidate the knowledge and know-how acquired in the training establishment. They likewise serve to place young people in a real working environment and foster social education under actual working conditions; this is particularly necessary in the case of young people who are in greatest difficulty. In order to ensure that these latter two objectives are realized, it is desirable that young people undergo in-firm training in various firms.'

'Likewise, rotation among various workplaces within a firm should be systematically encouraged.' (. . .) 'The total amount of time spent in in-firm training should not exceed 50% nor drop below 30% of the total time of alternance training.'

'The effectiveness of alternance training depends in large measure on the proper *articulation* between periods in the firm on the one hand and periods in the training establishment on the other. If these stages are simply juxtaposed, most of the educational benefit to be derived from alternance training is lost.'

A new training initiative

Mark Jackson

Britain has been arguing for most of this century about how to modernize its vocational training system. Now accelerating technological change and massive youth unemployment provide compelling reasons and a unique opportunity for action.

The new training initiative programme drawn up by the United Kingdom Government is described by its Secretary of State for Employment as 'the most far-reaching and ambitious set of proposals for industrial training ever put before Parliament'. That claim is not disputed, even by the many critics of the way that the government is proposing to set about reform. The objectives which the government is seeking to attain were defined last year by the Manpower Services Commission, the State agency for employment and training, following long negotiations between the employers' organizations, unions, and educational interests who together make up the Commission's governing body. They have been welcomed since by industrial and educational organizations throughout the United Kingdom, who are generally agreed on the need for urgent action.

The three objectives, now set out in a 'white paper' entitled 'A new training initiative: a programme for action' which has been presented to the UK Parliament over the signatures of the ministers responsible for education as well as the Employment Secretary, are:

- to develop skill training including apprenticeship in such a way as to enable young people entering at different ages and with different educational attainments to acquire agreed standards of skill appropriate to the jobs available and to provide them with a basis for progress through further learning;

- to move towards a position where all young people under the age of 18 have the opportunity either of continuing in full-time education or entering a period of planned work experience combined with work-related training and education;

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- to open widespread opportunities for adults, whether employed or returning to work, to acquire, increase, or update their skills and knowledge during the course of their working lives.

At present, says the government's paper, most training is in the form of apprenticeship in traditional craft and technician skills, many of them in declining demand. Opportunities for young workers to study through day release for part-time courses in colleges of further education are limited, and full-time courses do not bring the immediate financial rewards of an unskilled job. So, while in France and the Federal Republic of Germany 80% or more of the young people receive education or training of some kind after reaching the minimum school-leaving age, in Britain, on the most favourable interpretation, the figure is less than two-thirds (1979), and, since the assumption has been that whatever training is given initially will suffice for the rest of a worker's life, adult training provision is also inadequate. Indeed, entry to some occupations is so restricted by age, that there would be little point in providing it.

Responsibility for the training that exists is muddled, say the government, local education authorities, joint negotiating bodies of employers and unions, industrial training bodies, the Manpower Services Commission, and government departments involved. While spending is basically decided by individual employers, a wide variety of grants, subsidies, and courses are provided at the expense of the State or by levies on particular industries. In recent years, of a total UK expenditure on vocational education and training amounting to some 2.5% of the gross domestic product, about half came from public institutions and the rest from employers, most of it in the form of trainees' wages. But the current recession has cut back employers' spending, in particular on apprenticeship and other long-term training, where the intake fell from 100 000 trainees a year in the late 1970s to 90 000 last year and is expected to fall sharply again in the current year.

Action programme

The ten-point *action programme* to which the government commits itself is a mix of specific immediate measures to deal with the crisis aspects of this situation, and more generalized statements about the way it proposes to approach the underlying issues.

Five of the points represent decisions to take some form of specific and quantifiable action now. These are:

- a UKL 1 000 million a year youth training scheme to begin in September of next year which will guarantee a full year's foundation training for all those leaving school at the minimum age without jobs (the UK school-leaving age is 16);

- more incentives to employers to provide better training for young workers;

- an 'Open Tech' programme, developing and deploying conventional and distance learning resources, to make technical training more accessible;

- a target date, 1985, for the abolition of age entry restrictions to apprenticeship and for recognized standards to replace time-serving for qualification in all the main craft, technician, and professional skills;

- a small fund, UKL 16 million, to finance interesting local or sectorial training developments over the next two years.

The remaining, more general parts of the 'action programme' are statements of intent – to see that the schools and colleges prepare young people better for working life, provide more vocationally relevant courses for those staying on beyond the school-leaving age, and that their vocational education provision is more closely coordinated with industry's training at both national and local level, or steps to explore the possibility of further action. Thus, the setting-up of a working party is announced to report by the end of April on how the youth training scheme might be stretched to cover young people who get jobs as well as the unemployed, and the government also promises to embark on an examination of how in the longer term costs might be shared

out between 'trainees themselves, employers of trained people, and the general taxpayer'.

The proposals to set up an 'Open Tech' system, to modernize apprenticeship and similar long-term training, and to relate education more closely to work are not, in principle, likely to arouse much controversy. The plans for the Open Tech had already been announced in some detail, and a steering group drawn from industry and education is drawing up recommendations for pilot projects to start up this year: among the issues to be resolved are how students will be funded and what use will be made of television – there is the possibility that the new fourth channel will play a big role.

Apprenticeship modernization is, of course, at the heart of any overall strategy for training reform, and has often been seen in the past as an intractable problem of industrial power relationships, of conflicting vested interests, and of deep-rooted emotional attitudes. But, in fact, a good deal of the impetus for modernization in recent years has come from the union side, and considerable progress has been made towards the adoption of objective standards by, for instance, the development of modular training in the engineering industry under the leadership of training institutions in which the unions participate very actively. The setting of 1985 as the target date for

the end of age entry restrictions and of time serving is the result of a consensus recommendation from the Manpower Services Commission: the government has accepted the Commission's advice that the way to ensure that the necessary changes are made through the collective bargaining machinery is to make State financial support for skill training conditional on satisfactory progress. But the question of securing full union cooperation in this timetable is bound up with some of the other issues raised by the 'action programme' and other government decisions in the industrial training and related fields.

The role of schools

The need for Britain's schools to move beyond their traditional preoccupation with a narrowly academic subject-based curriculum has become, in the past three years, a prime cliché of educational discussion. It was the message that came out of a series of much publicized national debates on the state of the educational system initiated by the previous government. Since then, literally hundreds of national and local organizations have sprung up to promote industry teaching, work experience, and school/industry links: barely a week goes by without a new report or a conference on the subject. The Schools Council, which is responsible for advising the government on

examinations and the curriculum (it is a representative body, which includes both sides of industry as well as the interests which make up the education service), has a major project to diffuse industry teaching through the curriculum. The Confederation of British Industry and other employers' organizations are funding related projects: studies and guidelines have been produced by bodies as diverse as youth organizations, individual local authorities, the government's own 'think tank' of policy advisors, teacher unions and, in particular, one of the Industrial Training Boards. The White Paper carefully avoids any suggestion that the schools should swing from their goals of academic learning and a liberal education to a narrow concentration of vocational skills. It says that to get a better trained and more flexible workforce, Britain needs to start with 'a better preparation for working life in schools and better opportunities for continuing education and personal development in the early years at work'. It identifies the last two years of compulsory education – i.e. from 14 to 16 years of age – as particularly important, and says that every pupil needs to be helped to reach his or her full potential, not only for personal development, but to prepare for the whole range of demands which employment will make. The government, says the White Paper, is seeking to ensure that the school curriculum develops the personal skills and qualities as well as the knowledge needed for working life and 'a closer understanding of the industrial, commercial, and economic base of our society'.

Beyond the minimum school-leaving age, nearly a third of those between 16 and 19 stay in full-time education. The White Paper says that there is an increasing need for courses, side by side with existing provision, which are 'vocationally orientated' but not education for a specific vocation. It refers to its plans, yet to be announced in detail at the time of writing, for a one-year course leading to a new certificate of vocational preparation at the age of 17 and over.

The aspects of the new training initiative which are highly controversial and which have indeed already aroused bitter denunciations of the government from a variety of interests, are the funding of training and the proposals for extending vocational preparation to young people who have left school.

The White Paper points out that it has already reacted to the cutback in apprentice recruiting by stepping up its training



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subsidies to employers and by extra expenditure to enable more youngsters to stay on in full-time education. When the proposals in the paper are fully implemented in 1984/85, the cost of the Manpower Services Commission's training programmes alone will be close on UKL 1 500 million, with another UKL 4 000 million being spent on the over-16s through the education system. It sees this scale of public spending as unavoidable in the short term to ensure a supply of skills against the time when 'trading conditions' improve, and to help the current generation of young, and also, it says, to get its desired longer-term reforms in training quality and to get young people to accept both the value of training and the idea of receiving relatively low wages as trainees. But it says that the present apportioning of costs between the State and employers, and between individual enterprises, is illogical.

In the end, it says, employers will have to take the main responsibility for training: a French-style remissable tax or a system of training grants financed out of general taxation would involve a measure of bureaucratic intervention, but would seem less 'objectionable' than a big expansion of public provision.

What the Government wants . . .

Two-thirds of the UKL 1 500 million that the government is proposing to spend through the Manpower Services Commission by 1984/85 is accounted for by the youth training scheme it announces. The scheme as proposed is restricted to the young unemployed, and intended primarily for 16-year-old school-leavers.

Based on the high-quality one-year traineeships already being developed this year for a minority of the 500 000 plus 16 to 18-year-olds entering the MSC's existing youth opportunities programme, the new scheme will replace YOP from September of next year. For those who have had no experience of work it will offer a training programme of up to a year with these elements:

- induction and assessment, possibly including some job sampling;
- basic skills, including literacy and numeracy where they are lacking, the use of tools and machinery, some office operations, and communication skills;
- occupationally relevant education and training, with the opportunity for personal development and the practice of basic skills

in working contexts. Work experience will be integrated with a minimum of three months of further education or off-the-job training, which may be in the form of day or block guidance and counselling throughout the programme with continuous assessment and recording of progress in a form which will be recognizable both to the trainee and to potential employers.

Unlike the youth opportunities scheme, which was conceived primarily as a means of providing a short spell of work experience or work preparation and has only recently sought to upgrade its provision, the new scheme, says the government, is essentially a training programme.

This is why, it explains, the level of allowance paid to the trainees will be considerably lower than that for participants in the existing YOP. 'As trainees, it seems right that they should receive allowances that reflect their learning role. That is how they will make their contribution to the cost of a foundation training which improves their prospects of employment.'

The weekly allowance for those in their first year after leaving school will be, says the White Paper, around UKL 750 a year, which is, in fact, half the current YOP rate. The YOP allowance has always been fixed at a level which offers a significant margin over the social security benefit which is otherwise paid to unemployed young people: the White Paper announces that this will no longer have to be taken into consideration because it is going to stop paying benefit to 16-year-olds until September of the year after they leave. The government argues that since the youngsters will be guaranteed a place in the new scheme, they are in the same position as those who stay on in full-time education and ought to be supported by their parents, and that the new allowance is mainly intended to cover their travel and other expenses.

17-year-olds joining the scheme will be paid a higher allowance – about the same as is currently being paid to YOP participants – because, says the White Paper, they will still be eligible for social security benefit. How many of these will find places, is however problematical. The 300 000 places which the White Paper says will be provided, will, at the levels of school-leaver unemployment forecast, virtually all be needed to fulfil the government's guarantee to those who fail to find work. Those who become unemployed during their first year, after some experience of work, will get shorter courses likely to average about six months.

The White Paper claims that the resources being provided should be enough to provide courses on the same basis for those of the under-18s who have stayed on in full-time education for an extra year or so and fail to get a job or become unemployed but that this cannot be guaranteed because the 16-year-olds must take priority. There is some doubt in fact, as to the number of places that can be provided with the new scheme's budget: the Manpower Services Commission's own planners believe that they should be able to support about 380 000, which might provide a margin to accommodate a substantial number of 17-year-olds.

The other provision envisaged in the White Paper for youngsters who have left full-time education is an expansion of the existing small-scale unified vocational preparation programme for those in their first year of employment. The scheme provides a few weeks of off-the-job training and further education in basic and life skills to youngsters in jobs which do not already provide formal skills training. The target here is relatively modest – some 50 000 youngsters in 1984/85, or about one in six of the client group.

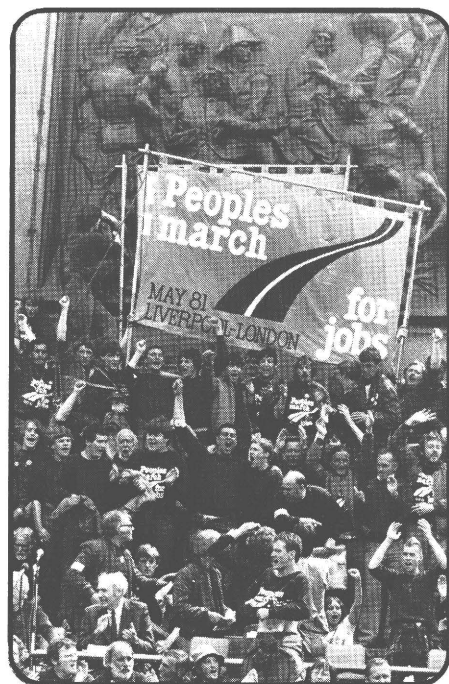
But not everyone agrees

The White Paper's proposal to concentrate its major new vocational preparation provision almost entirely on unemployed school-leavers has been widely attacked by educational groups, including local authorities and teacher associations, youth organizations, unions and, less stridently, by some employers.

The main objections are:

- that it does little to improve the skills or development of youngsters who are in work and, in reality, means abandoning most of the jobless over-17s who at present are catered for by the Youth Opportunities Programme;
- that the proposed level of allowances is grossly inadequate, will create great hardship in the many families already suffering through unemployment or low wages, and in any case perpetuate undesirably the period of dependence for young people;
- that the withdrawal of entitlement to supplementary benefit from 16-year-olds is an unjustifiable form of coercion.

To take the two latter criticisms first: there has been virtually no audible support from any of the groups involved in the education,



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training or employment of young people for the government's proposals. On the contrary, youth organizations, the voluntary agencies (whose cooperation has played a crucial part in the operation of the existing programmes), teachers, and the trade unions have denounced the 'meanness' of the approach – and warned that it is likely to alienate young people from the scheme. The teachers have been quick to point out that if the government really accepts that there is now little case for treating youngsters who stay at school and those who go into government training programmes differently then it should, logically, be prepared to pay the same allowance to both groups.

At present very few 16 to 19-year-olds get educational maintenance grants, which are small and at the discretion of local authorities. The Manpower Services Commission itself has made it plain that it disapproves of the government's attitude. There is no doubt, moreover, of the Commission's hostility towards the proposal to restrict the youth training scheme to the unemployed, and on this issue the main employers' organizations are, if anything, more insistent than the unions: it is, after all, their young employees who are being left out. The Confederation of British Industry sympathizes, undoubtedly, with the plight of unemployed school-leavers, and understands the emotive, and therefore political, pressures that are involved, but it feels that

the new training initiative should be about improving training as well as alleviating a major social problem.

The provision in the White Paper for a task group to report quickly on the possibility of extending the youth training scheme to the employed is there because the Commission insisted on it. Its 'agenda for action' published simultaneously with the White Paper, and summarizing its own recommendations for implementing the new training initiative, says that it proposes to set up such a group.

The Commission makes it plain that it does not intend the group to produce a plan under which the government's youth training scheme would expand its scope at some time in the future: the group's task has been to attempt to produce, in the space of some four months, a complete alternative to the government's scheme which can be launched in its place in September of next year.

The task group, composed of senior representatives from the whole range of interests who would be involved in implementing a training scheme, including the Trade Union Congress and the CBI, has been told that it needs to devise a detailed design for a scheme, rather than simply broad outlines. And when it started its task senior officials of the Commission appeared fairly confident as to the kind of scheme it would be.

Mr Geoffrey Holland, the Commission's director – who was responsible for the monumental report which led to the setting up of the Youth Opportunities Programme – told an education service conference in February that there was a unique opportunity to provide a major extension of education and training. The unions and the employers' organizations were intensely serious about trying to ensure that the opportunity was not lost, he said.

What the task group might be expected to come up with, suggested Mr Holland, was a programme which would keep all young people 'in learning' up to the age of 17, and might eventually be extended to a later age.

It would seek to offer a combination of education, training and experience of work to all, with the schools cooperating to ensure that their full-time pupils got work experience and work-related courses. Mr Holland said that there was every hope that the government would welcome the scheme, which would not cost more than it was

already planning to spend. Employers would be asked to guarantee the 16-year-olds they recruited planned education and training for a year: in return they would expect to have to pay only an allowance or standard training wage of some kind. On this basis they might be relied on to recruit two or three times the number of youngsters they trained at present. The government's share of the cost, which would include paying for those who remained unemployed and for the direct costs of training, could be met by reallocating the sums it had already agreed to spend on training of various kinds.

Union leaders, including a TUC-nominated commissioner, have made it plain since, however, that they consider the idea of a standard training wage quite unacceptable, and point out that the Commission's agenda for action specified that the wages of employed youngsters in such a scheme would 'usually' be determined by collective bargaining. In the event, the task group has considered a number of alternatives, including straight training subsidies and a proposal that employers should be subsidized to split each of their vacancies between a pair of trainees. One reform on which the White Paper and its critics seem universally agreed however is this: that whatever scheme of youth training is implemented, it should be run not by some central bureaucracy, but by local bodies set up to represent the range of interests involved.

Such a structure, which might be expected to take over responsibility in the end for planning and coordinating education and training provisions as a whole, offers a means of filling some of the gap left by the government's highly controversial decision to abolish most of Britain's statutory Industrial Training Boards this year.

But the question remains: can Britain get the massive increase in the quantity and quality of training that everyone agrees it needs without a comprehensive statutory framework? As Chairman of the Manpower Services Commission, Sir Richard O'Brien thought not and, in the end, said so publicly.

Youth unemployment in Italy

A problem awaiting solution

Alfredo Tamborlini

The ability of vocational training in Italy to become a useful instrument serving to combat unemployment and above all serving as a regulator between manpower supply and manpower demand is limited by the absence of an organic structure within which to implement a training policy.

In order to establish a training policy which moves beyond the utilization of vocational training simply as a tool, it is becoming increasingly urgent that the upper secondary school system be reformed so as to provide young people's social expectations with a sound base of vocational skills, that the apprentice system be revitalized so as to better facilitate transition from school to work, and that a system of continuing training be designed which will serve workers caught up in the turbulence of transition.

Above all the need has become increasingly urgent to ensure that training, careers guidance, and employment be coordinated via implementation of the proposal, as anchored in Legislative Decree 760 on the reform of job placement, that a national employment service be set up. Such implementation would enable training to assume the role of a connecting link between manpower supply and manpower demand not only at the time of entry into working life but continually throughout the working life of a citizen.

In the absence of an organic structure and a training policy, a number of measures have been launched to utilize vocational training as an instrument with which to solve the problems of unemployment in general and youth unemployment in particular.

Legislative Act 285

Among these measures Legislative Act 285 on measures to promote youth employment enacted in 1977 plays a prominent role. This Act sought to provide answers to the prob-

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lems of the gap between school and work, the problem of labour force rigidity, and the problem of job expectations of young people in awareness that it was not possible to effectively counter a serious structural phenomenon such as youth unemployment in this manner alone.

The outstanding aspect of Act 285 is that it provides for the introduction of a training-work contract, a very innovative action within the legislative system* in view of the fact that when the Act was enacted skeleton legislation on vocational training had not yet been drawn up.

The training-work contract is open to all qualified young persons from 15 to 22 years of age (24 years for women and 29 years for university graduates) upon entrance of their application in a special list maintained by the employment offices. The contract provides for training in a training course coupled with actual work in a firm. It runs for 24 months and is not renewable.

Training may be provided by the firm itself if the training is undertaken or authorized by the region.

Training content must be carefully aligned to a broad skills area; in this manner the danger of training becoming narrowed down to specific skills required by a firm can be avoided. The purpose of the training-work contract is to enable trainees to obtain a full vocational qualification and at the same time test their acquired skills via work experience. Act 285 calls upon the Regional Employment Commission to est-

* Article 7: For the duration of application of the Act young persons entered in the special list can be taken under a training contract in accordance with the modalities of this Act by employers as stipulated in the preceding Article. The training contract:

- (1) can be concluded with young persons from 15 up to 22 years of age, with women and training certificate holders up to 24 years of age, and with university graduates up to 29 years of age;
- (2) must last at least 12 months and is not renewable;
- (3) can be concluded by employers with two applicants for every 30 employees or a close approximation thereof.

ablish the modalities of training and prescribes that not more than 30% of the trainee's total time be taken up by training.

The competent regional authorities and the Minister of Labour collaborate via the Regional Commission, which serves as a liaison between the State and the region, in the task of establishing training modalities insofar as no organ or legislation exists which carries responsibility for coordination among the various relevant institutions.

An analysis of the regulations governing the training function of the training-work contract reveals the high degree of importance which the legislators attach to training. At the same time the in-firm work function of the contract is by no means overlooked. Whereas on the one hand it is established that absence from training for more than one-fifth of the total number of days of course duration constitutes cause to cancel the contract, on the other hand it is prescribed that with regard to payment of wages by the firm, only those hours actually worked need be paid for. Furthermore, in order to interest firms in concluding training-work contracts, a number of benefits are offered to them.

Employers who have taken on trainees under a training-work contract are granted modest financial benefits (based on working hours to be paid) and reductions in social security payments in order to bring them more into line with payments made for apprentices.

Of particular interest are the incentives provided in order to encourage training firms to employ their trainees on a regular basis. Either during training, at completion of training, or within three months after completion of training the training-work contract can be directly converted into a regular employment contract by means of a prescribed procedure. In the first two cases decision rests with the employer of the

trainee whereas in the third case it rests with other employers as well.

Having thus described the main specificities of the training-work contract, we now turn to the matter of the socio-economic aims pursued by the legislators.

Job creation

The intent of the legislators is to promote the part-time, temporary employment of young people and at the same time implement vocational training projects and incentives of various kinds which have a stabilizing effect.

For the legislators training is an essential element of the political objective but does not necessarily constitute a prime aim of the employment aspect, as is illustrated by the 'progressive differentiation of workers to whom various work tasks are assigned and the fact that payment of wages is based exclusively on the number of hours worked'.

Of considerable interest on the other hand is the innovative mechanism prescribed in Act 285 which serves to facilitate transition from school to work. Of extreme importance here is the role of the social partners, who by means of contractual agreements stipulate what training activities are to be undertaken by the regions and define 'quotas, training modalities, and contract duration'.

The many difficulties involved in actualizing Act 285 have not discouraged the legislators.

Legislation has been carried forward in Decree 760 without there being any specific

regulations provided in connection with the access to employment of the trainees.

Where general regulations governing the employment of workers are to be applied, the inapplicability of the contractual agreements becomes evident. Consequently, it is assumed that the intent of Decree 760 is to link contractual agreements for youth employment with provisions relating to agreements concluded with the district commissions. In this case up to one-third of all trainees seeking regular employment could be accommodated, although those not selected would thereby be faced with great difficulties.

The failure to reform the vocational training system and the upper secondary school system has greatly limited the effectiveness of Legislative Act 285.

A balance

One possible approach to the task of bridging the gap between Act 285 and the vocational training system (which had at the time no skeleton legislation to rest on) is provided by Act 479, enacted in July of 1978. This Act contains some modifications of Act 285 and in Article 16a prescribes 'periods of on-the-job training' which acquire considerable importance within the context of the reform of vocational training.

The principles contained in Article 16a of Act 479 constitute one of the links between the training system and the firms which Act 285 has not been able to provide for.

Today, nearly five years after the enactment of Act 285, the problem of youth employment is becoming increasingly grave in both

quantitative and qualitative terms, and the legislation which was supposed to have solved the problems, at least in part, is being strongly criticized from all sides.

Application of Act 285 has been effective only in the public sector, where, however, the switchover from temporary to regular employment has contradicted the intentions of the legislators. Quite in spite of its faults and limitations, however, Legislative Act 285 could be conceived as a bridge thrown to vocational training at an important time in history characterized by considerable ambiguity in the field involved.

If more attention had been paid to a redefinition of some of the stipulations of Act 285, it would have been possible to contribute certainly not to the final solution of the problem of youth unemployment but most assuredly to improvement in the relationship between school and work, to the design of proposals for on-the-job training, and so on.

Act 285 is a good example of efforts to use training as a special instrument with which to solve contingent problems, and in this connection the Act also constitutes a bridge between training conceived as a scholastic supplement at secondary school level and training conceived as a labour policy instrument. This is, for example, the context towards which Decree 760 on the reform of job placement (recently under consideration in Parliament) is oriented. The Decree is a response to the realization that skeleton legislation on vocational training and plans for the redesign of vocational training curricula provide no real solution to the problem of discontinuity between vocational training and employment.

Conclusion

Prospects for the near future oblige us to realize that the phenomenon of unemployment in general and youth unemployment in particular is becoming increasingly structural in nature and can no longer be tackled with special instruments such as Legislative Act 285. It is now necessary to set up a system of training-careers guidance-employment within which training must progressively acquire the characteristics of continuing education, careers guidance must be understood as preparation for dealing with transition phenomena and hence as the acquisition of ability to handle the challenge of transition, and employment must shed itself of the aspects of rigidity which today characterize it.



Bibliographical file

This review of five publications relating to the subject-matter of this Bulletin constitutes a first effort to provide readers with a selected bibliography of important works indexed according to category and stocked at the CEDEFOP specialized library.

Disoccupazione giovanile e azione pubblica: la 'legge giovani' tra utopia e assistenzialismo

(Youth unemployment and public measures: youth legislation between utopia and assistance)

SERGIO BRUNO

Published by Il Mulino, Bologna 1978, 320 pp. (IT).

The book deals with the problems of youth unemployment from a macroeconomic approach and identifies the structural causes of this problem. As the author states, the main thrust of the book has political implications of a practical nature, and the precise proposals brought forward call for response at political level. The problem of key concern is the crisis which has befallen post-Keynesian strategies aimed at combating unemployment, above all those launched within the context of active labour policies and geared to young people constituting the 'weak sector' of the labour market. The specific point of reference is the progressive consolidation of that *trend* component which renders the integration of young people into the employment structure more and more problematical. In Italy this phenomenon has become increasingly serious ever since 1966. Efforts to deal with it, late in coming and more theoretical than practical in nature, took the form of a series of proposals which not until 1977 became to a certain extent effective through their inclusion in Legislative Act 285. Bruno's constructive criticism is centred on the contents of this Act ('between utopia and assistance').

Following a clarification of method and interpretation (whereby he courageously refutes the prevailing opinion that the failure to integrate young people into working life results from training deficiencies rather than from our production structure itself and our development strategies), the author deals in Chapter VI with the 'problem of legislative measures in the field of youth unemployment'. Practical proposals made by the author take the form of 'alternative strategies' based on two sets of factors:

(a) mechanisms aimed at the financial and structural integration of single measures, and

(b) linked concepts aimed at encouraging private enterprises (in keeping with their organizational capacity and their flexibility) to participate in measures launched by the public sector.

On the basis of these 'guidelines for the design of an alternative', considerations for action should aim at the identification of 'permanent or at least long-term solutions'. In this sense the book is a useful tool (for economists and politicians, for the public and the private sector) which can effectively contribute to efforts to manage employment problems properly.

Scienze sociali, scuola, occupazione

(Social sciences, school, employment)

ALBERTO MERLER and SERGIO BRUNO

Published by Liguori, Napoli 1980, 229 pp. (IT).

In this research study, the main emphasis is placed on the relationships between the

social sciences and the education system; the latter, according to a modern concept of vocational training, should be capable of preparing young people for entry into working life. After having clarified his approach to the theory and practice of the social sciences (referring necessarily to standard works but going beyond the customary 'classical conceptualizations'), the author presents a precise and detailed overview of the development of the school system in Italy from the passage of initial legislation (Cesati Act, 1859) to the present. There is obviously constant reference to the social situation in Italy; however, the analysis provided of the interrelationships which subordinate the school system in an industrialized country to economic and political exigencies can easily be broadened and generalized. An interesting excursus in this first part of the research study deals with the school system in the the canton of Ticino and the renewal efforts of the 'democratic teachers' undertaken in an attempt to emerge from a situation of 'splendid isolation'. The entire second part of the study is devoted to an analysis of the interrelationships existing in Italy between the school system and the labour market and to 'educated workers'. This section contains the most interesting practical information and above all within the context of vocational training criticizes the lack of cohesion between the school system and the social realities of working life. Unemployment, underemployment, and non-employment are quantified and brought to the attention of the reader. In order to achieve change a vague ideology does not suffice; it is the will to take action which is required.

Employment and unemployment in Europe

Report of the Conference of the Hague (29-30 November 1979).

Edited by J.-Pierre Jallade (EN, FR).

As Ynso Scholten states in the preface, the report of this Conference inaugurates the work of the newly-created European Centre 'Work and society', located in Maastricht. In the introduction Jallade presents a detailed survey of the problems which characterize the current employment crisis in Western Europe and comes to the conclusion that rather than being of a transitory nature, the difficulties call for immediate countermeasures. In the first of the four half-day sessions Jan Tinbergen summarizes the situation over the past 20 years as regards the labour market, investments, economic recession factors, etc. In the second session Luigi Frey reviews demographic, social, and cultural aspects related to employment opportunities, drawing attention to a number of technical solutions serving to reduce unemployment and underemployment. In the third session Pierre Uri examines conditions prerequisite to the success of employment policies in the immediate future. In the final session Dieter Mertens discusses the possibility of reducing the number of weekly working hours, an approach which would have a beneficial effect on the employment market. Supplementary to the subject-matter covered in the four sessions, Corrado De Francesco draws a detailed overall picture, supported by statistical tables, of recent developments and trends in the field of employment and unemployment in each country. Also provided is an interesting presentation of the characteristics of gainfully employed persons in Western Europe which covers the period from 1960 to 1975 and takes into account sex, age, nationality, region, and level of education.

Relationships between education and employment and their impact on education and labour market policies (A Franco-German study)

BEATE KRAIS

Published by CEDEFOP, Berlin 1979, 50 pp. (DA, DE, EN, FR, IT, NL).

The material brought together is critically analysed in this precise and intelligently

ordered synthesis report written by Beate Kraiss (49 pages in the original text). The examples and the statistical data relevant to the relationships between education and employment stem from research studies carried out by two French institutes (CEREQ and CTS) and one German institute (IFS) and turned over to CEDEFOP in Berlin in the spring of 1977 for the purpose of further elaboration. In the theoretical and practice-related part of this synthesis report the basic research study of B. Lutz (ISF, 1976) and the study of A. d'Iribarne (CEREQ, 1977) are analysed. The dossiers of the seminar organized in Berlin in May of 1977 by CEDEFOP are likewise analysed. Having first clarified the subject-matter of the research project and the area of investigation involved (in the two countries enquiries were conducted in 140 firms of the automobile industry and 150 firms of the chemical industry), the author proceeds to describe in details the method elaborated by Lutz, which assumes that relationships between the education system and the employment system are reciprocally interdependent and stem of necessity from a third subsystem (employers' associations, employees' associations, placement offices, etc.). The results of the research study bring to light the similarities and above all the differences prevailing between the private enterprise structure and the employment structure of the two countries, between the two systems of vocational training, and between the varying role assigned to occupational qualification. The reader thus gains a clear idea of the situation in France and in the Federal Republic of Germany.

Qualifikation und Berufsverlauf – Erste Ergebnisse einer repräsentativen Erhebung bei Erwerbspersonen in der Bundesrepublik Deutschland

(Qualification and career development – First results of an enquiry in the working population in the Federal Republic of Germany)

L. ALEX et al.

Published by the Bundesinstitut für Berufsbildungsforschung. Berlin 1981, 100 pp. (DE).

These first results providing information on 'qualification and career development of the working population in the Federal Republic of Germany' stem from an enquiry covering 30 000 respondees carried out in

1979 by the BIBB in Berlin and the IAB in Nuremberg. Although a further analysis of the acquired data will be undertaken (as stated in the preface by the directors of the two institutes, H. Schmidt and D. Mertens), these *first results* already constitute a handy work tool in the necessary task of comparing the situation in the Federal Republic of Germany with that in other countries of the Community. Chapter 3 in particular is very rich in data on vocational training and the various levels of qualification, various types of jobs and job content, and occupational mobility. With regard to training, the statistics confirm a considerable increase in the number of qualified workers and significant improvement in the percentage of women with vocational qualifications *vis-à-vis* men with vocational qualifications. 13.3 million workers, or nearly 60 % of the entire working population (22.04 million), hold a final certificate attesting to completion of a vocational training course. With regard to economic sectors, the percentage of workers in the services sector is 30 % higher than that of workers in the technical-industrial sector. Occupational mobility in the Federal Republic of Germany is steady. In 1979, 37 % of all gainfully employed persons, of whom 52 % were young people under 25 years of age, stated that they had changed jobs at least once. This publication is excellent as a source of up-to-date information on characteristics of the working population in the Federal Republic of Germany.

Youth unemployment and vocational training

The problem of youth unemployment has always been accorded priority by CEDEFOP ever since the Centre was established. At the CEDEFOP Conference held in Zandvoort, The Netherlands, in 1976 three main subject areas were discussed:

- career selection and motivation of young people,
- ad hoc measures serving to integrate young people into working life,
- vocational preparation.

An analysis of the situation revealed the structural deficiencies in the range of vocational training and employment opportunities open to young people and the specific difficulties encountered by problem groups such as girls, women, children of foreign workers, and the disabled.

The danger of many young people being forced into a marginal group situation as the result of the implementation of short-term measures prompted by the economic recession led to the decision to launch integrated education, training, and employment programmes for young people in transition from school to work.

In the early years after 1976 there was general consensus that the problem of the transition of young people from school to work was not a temporary one that would disappear as soon as the economic situation

had improved. Attention was drawn to the fact that both quantitative and qualitative deficiencies, stemming also from structural causes, were evident in the vocational training and continuing training opportunities open to early school-leavers.

Structural range and individual attitudes

The studies conducted by CEDEFOP on the subject of career selection and motivation of young people in the light of their training and employment prospects revealed the adverse effects of inadequate vocational training opportunities on the target group in general and on the problem groups, namely, girls, women, and foreign workers, in particular.

A possibly low level of work and career motivation among young people does not constitute an independent variable relevant only to the attitudes and behaviour of young people but should rather be attributed to a shortage of training and employment opportunities. Young schoolleavers, particularly those in the problem groups, are being increasingly forced to accept jobs in the weaker sectors of the labour market (firms and sectors which were highly sensitive to economic trends, monoproduction systems, etc.) where they can neither obtain comprehensive initial training nor hope for employment on a regular basis.

Up to the mid-seventies structural and economic factors also led to a decline in the

number of open apprenticeships. Although the situation then improved somewhat in a number of Member States, the range of opportunities has remained inadequate in most; too little account is taken in the formal education system of the needs of young people and problem groups. This is aggravated by the fact that most education systems take a greater interest in pupils who intend to continue on to upper secondary school and perhaps university and consequently tend to neglect to prepare young people for entry into working life. This reveals the need for a change in the relationship between general and vocational training courses in upper secondary school. It has become generally clear that training opportunities must be adapted to the needs of young people rather than vice versa and that the impact which the attitudes and behaviour of adults have on young people must be given close attention.

The studies also show that although the majority of young people are really interested in vocational training and continuing training because they wish to improve themselves socially and economically, they have not been able to achieve this objective due to a shortage of satisfactory training and employment opportunities. Many young people therefore succumb to a feeling of resignation, drop out of society, and become discontented and unwilling to accept the poor prospects the future holds for them.

Education and training opportunities do not in themselves suffice. What the young people need is direct social and material

This article was prepared on the basis of a CEDEFOP document written by B. SELLIN: 'Youth unemployment and vocational training - An attempt to summarize the most important conclusions drawn during five years of work on the subject', Berlin, September 1981.



assistance from the community and the adults accompanied by career information and the creation of useful, stable, creditable jobs.

No less important is the need to improve and increase the range of attractive education and training opportunities in order to prevent further deterioration of the situation and to ensure that most young people come on to the labour market with adequate vocational preparation and training.

Measures to combat youth unemployment

Measures undertaken in the mid-seventies by the Member States and subsequently improved, namely, job procurement schemes, labour cost subsidies and training grants, vocational preparation schemes, integration aids to young people, and special training programmes, were carefully analysed by CEDEFOP in order to determine whether or not they might:

- also improve the employment prospects of young people,

- possibly have an adverse effect on the standard range of employment opportunities open to young people.

Results showed that the employment prospects of young people were not on the whole improved by such schemes. Although they kept young people off the streets and gave them temporary financial and social support, the value of which should not of course be overlooked, they had little positive effect in the longer term because they were usually designed on a short-term basis.

The second question was and remains more difficult to answer. In some Member States where vocational training was traditionally available to only a small proportion of the age group concerned, there was little evidence of an adverse effect. In Member States with a comprehensive, standard range of training and employment opportunities such special schemes tended to aggravate the marginal position of many young people who were either unemployed or threatened with unemployment. These countries undertook relatively early to integrate such schemes into the standard range

of vocational training opportunities in order to avoid too distinct a line being drawn between the various target groups and prevent their marginalization.

The information collected on employment opportunities was not encouraging, either. However, this was due more probably to the trend in the general economic and employment situation in the late seventies than to the quality or the side effects of employment and integration measures for young people. On the whole work procurement schemes appear to have produced the best results in cases where young people had already had some vocational preparation and/or training. On the other hand, these schemes do not seem to have made it much easier for young people with little qualification to find work.

Because of the effect they have of setting young people apart from other categories of workers, work procurement schemes for young people should therefore be part of a comprehensive employment programme for all workers. They are then more likely to prove successful over a longer period.

Integrated education, training, and employment programmes for young people

The first and without doubt the most significant initiative so far taken by the European Community in connection with the development of an integrated education, training, and employment programme for young people was the Council Resolution of December 1979 on alternance training for young people.*

One aim has always been to increase the range of training opportunities for young people during their transition from school to work and improve the quality of these opportunities, starting with apprenticeship deficiencies in the Member States and experience gained with short-term vocational preparation and training measures.

As a contribution to this subject CEDEFOP organized a special conference and published a special number of its Bulletin.** A

* OJ C 1, 3.1.1980, p. 1.

** CEDEFOP, Vocational Training Bulletin, 4/1980.

guide has also been developed to provide vocational training practitioners with concrete decision aids.

CEDEFOP has furthermore undertaken a study of the social and material standing of young people during transition from school to work* under present legislation and collective bargaining agreements. Other CEDEFOP studies (10-17) reveal the need to integrate existing means of providing assistance into an overall concept of educational and training promotion for all young people in the various situations they face in their transition from school to work.

Another important conclusion was the need to provide the training contracts between

* CEDEFOP, The material and social standing of young people during transition from school to work. Synthesis Report 1981.

firms and (young) employees with a legal basis and a set of general terms and conditions. It was also felt that a clearer distinction should be made between work procurement schemes and education and training measures in order to eliminate the grey area of practical and work experience schemes, the participants of which were regarded neither as trainees nor as full-time employees.

Conclusion

Activities to date clearly show that satisfactory vocational training is also dependent on a satisfactory economic and labour market situation. It can make only a very limited contribution to its own improve-

ment. However, the fact has also become clear that there is a need for a new form of transition both from school to work and from work back to school (for older workers) and that this need extends beyond the present employment situation.

If one considers the redistribution of work between young people and adults or the problems connected with the (re)integration of women and migrant workers, the need for an integrated education and further training programme for young people and adults becomes evident. Suitable legislation and collective agreements are needed in most Member States. The European Community should therefore establish a number of general principles and encourage favourable developments with the help of its financial machinery.

Unemployment in the EC – January 1982

Eurostat

	D	F	I	NL	B	L	UK	IRL	DK	GR	EUR 10
Unemployed (in 1 000)	1 949.8	2 034.0	2 194.2	488.3	530.3	2.139	3 070.6	146.6	281.9 p	73.7	10 711.5
Unemployment rate (% of working population)	7.5	9.0	9.9	9.4	13.1	1.3	11.8	12.0	10.7	2.1	9.5
% of total unemployed											
1. Women	40.9	49.9	48.4	49.3	55.9	43.9	28.2	23.1	38.2 p	36.6	40.3
2. Under 25 years	...	41.3	46.4	44.2	39.1	46.4	37.7	28.4	29.6 p

Vocational training employment unemployment

Documentation on the activities of the Community organs

Barbara Grönig

The following evaluation of documents of the European Community which have appeared in recent years is intended to clarify the role which has been assigned to educational/vocational training policy in connection with employment policy and labour market policy. To what extent, in the opinion of EC organs, can vocational training measures contribute towards efforts to reduce unemployment?

In its 'General guidelines on the elaboration of a Community action programme in the field of vocational training'¹ the Council states: 'The volume and quality of vocational training available at various qualification levels for both young people and adults constitutes one of the key resources serving the further development of the European Community' (p. 5). 'Economic, social, technical, and educational development . . . is forcing the bodies responsible to find new approaches to training problems' (p. 6). 'The significance of the link between schooling and working life and that of the development of post-school training systems respectively continuing training has now become clearly evident' (p. 6).

In the 'Council Resolution of 21 January 1974 concerning a social action programme'² the 'implementation of a common vocational training policy' (p. 3) is seen as a means by which within 'actions designed to achieve full and better employment' (p. 1) the search for 'solutions to the employment problems confronting certain more vulnerable categories of persons (the young and older workers)' (p. 3) can be carried forward. As in the abovementioned 'General guidelines' (p. 6), so here again the role of the European Social Fund is stressed: '. . . in particular by strengthening the role of the European Social Fund' (p. 2).

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In the Resolution of the Ministers of Education of 6 June 1974 'on cooperation in the field of education',³ the Ministers state that '. . . under no circumstances shall education be understood simply as a part of economic life' (p. 2).

In the Decision of the Council of 22 July 1975⁴ the European Social Fund is for the first time put into action '. . . for specific measures serving to promote the employment and the geographical and occupational mobility of young people under 25 who are either unemployed or seeking employment'.

The task of combating youth unemployment, the level of which is considerably higher than that of unemployment as a whole, constitutes in the main the following subject-matter.

In the Resolution of the Council of 9 February 1976 comprising an action programme in the field of education⁵ the discrepancy in the relationship between the quality of training and unemployment is dealt with. Considered as a priority matter are 'measures to be taken in the field of education to prepare young people for work, to facilitate their transition from study to working life, and to increase their chances of finding employment, thereby reducing the risks of unemployment' and 'the provision, in the context of continuing education and training, of further education to enable young workers and young unemployed persons to improve their chances of finding employment' (p. 5).

In the opinion of the Economic and Social Committee of 31 March and 1 April 1976⁶ on the 'coordination of national employment policy instruments', the discrepancy between manpower qualifications and labour market needs is referred to: 'Educational systems rarely make for flexibility and multiple skills. But employment policy presupposes that training systems are close-

ly tailored to the needs of the labour market. This is rarely achieved' (p. 72). The difficulty stems from the following fact: 'By and large, employment policy instruments were established between 1945 and 1970, that is to say before structural unemployment began to affect the entire EEC so critically' (p. 71). The Economic and Social Committee emphasizes the independent role of the training system: 'In general . . . training has a beneficial effect on employment' (p. 74). As the basis of all social measures, however, the 'first thing is to get back to high and sustained growth' (p. 73).

The growing risk of unemployment facing young people coming on to the labour market after schooling led in the mid-seventies to discussion on ways of improving the vocational preparation of young people.

The discussion was initiated by a draft recommendation of the Commission on 'vocational preparation for young people who are unemployed or threatened by unemployment' of 9 August 1976.⁷ The 'growing discrepancy between the skills and aptitudes of young people entering working life and the types of job being offered' (p. 2) it to be corrected by vocational preparation measures as part of a necessary linkage of 'economic, educational, and labour market policy measures' (p. 2). Young people who 'have had no vocational guidance and no training to speak of have great difficulty in times of high unemployment . . . in finding a job'. 'The aim is to improve their chances of keeping their job or finding a new one' (p. 4). In order to achieve this aim, 'it will be necessary to make full use of all existing and potential education and training opportunities' (p. 8).

Both the European Parliament (EP) and the Economic and Social Committee (ESC) have expressed their opinion concerning the draft recommendation.

The EP expresses⁸ 'its regret that, in spite of repeated objections by the European Parliament, the Commission has again opted for the non-binding form of the recommendation' (p. 48) and 'shares the fear' of the Commission that youth unemployment 'is a long-term problem' (p. 48) which nevertheless calls for 'short-term measures which, while not tackling the problem at the roots, will lead to a reduction in unemployment and above all to better integration of young people into the working process' (p. 49). The EP takes the view 'that the idea behind the recommendation must be supported' (p. 49).

The ESC, in an opinion prepared on 24 and 25 November 1976,⁹ stresses the need to improve the training of problem groups, firstly because qualified workers are less exposed to the risk of unemployment and secondly because the economy will depend more and more on highly skilled manpower. 'Workers who are at present not receiving training properly geared to future requirements may well be needed in a few years' time' (p. 16). In its opinion prepared on 26 and 27 September 1977 on the draft Commission recommendation on vocational preparation for young people,¹⁰ the ESC supports the draft recommendation insofar as 'vocational training increases a young person's chances and smooths his entry into working life' (p. 27), but emphasizes 'that youth unemployment cannot be solved by vocational training measures' (p. 26) and 'calls on the Commission to devote greater and more urgent attention in future to the question of organizing job creation schemes. Without job creation schemes the ultimate success of the training measures cannot be guaranteed' (p. 26). The objection raised by the European Parliament concerning the non-binding form of the recommendation is shared by the ESC,

which 'feels that a directive . . . would have been much better' (p. 26).

'Taking account of the interest' of the European Parliament and of the Economic and Social Committee in the relationship between the education and the employment of young people', the Council adopted a resolution on 13 December 1976 in line with the Commission's proposal.¹¹ However, it does not concur with the EP and the ESC in calling for a more binding form: 'Member States will take account . . .' (p. 2).

On 6 July 1977, the Commission passed its 'recommendation to the Member States . . .'.¹² It concurred 'with the opinion expressed by both the European Parliament and the Economic and Social Committee that this recommendation should be supplemented by additional (and possibly more binding) measures to promote the employment of young people' (p. 18).

In view of 'the gravity of the present situation and the near certitude of prolonged underemployment . . .' (p. 14) the Commission in its communication to the Council of 17 October 1977 on youth employment¹³ calls for a reorientation of policy: 'Up to now, Community action in respect of youth employment has been focused for the most part on aids to training and mobility' (p. 13). 'In the light of the attached review of action . . . it appears that (training) measures should be modified' by measures such as 'job creation or other forms of employment' (p. 14). The Economic and Social Committee already stressed this need in its opinion of 26 and 27 January 1976, in which it called for 'the expansion of those activities of the European Social Fund which serve to strengthen the link between training and employment' (p. 20).

This concept finds response in the proposal of the Commission submitted by the Com-

mission to the Council on 10 April 1978¹⁴ 'for a Council regulation concerning the creation of a new European Social Fund aid in favour of young persons' (p. 15).

The proposal is criticized by the European Parliament, '. . . since the result of these months of waiting is merely the addition of another form of aid to those already provided for under the rules of the European Social Fund' (p. 22).¹⁵ The European Parliament 'firmly believes that there must be no further delay in drawing up and putting into operation a comprehensive programme . . ., coordinating not only action by the Community's financial instruments but also the various policies concerned with education, career guidance, professional training, job placement, and employment' (p. 23).

In an opinion on education and vocational training for young workers drawn up on 29 and 30 March 1978, the ESC again stresses the importance of educational policy.¹⁶ 'Education and training can significantly affect the kind of employment which an individual can find and indeed the chances of employment at all, and a more effective educational system could certainly mitigate the unemployment problem . . .' (p. 40). 'Compensatory educational strategies' are mentioned (p. 42). It is important that 'at every level . . . there is a single comprehensive policy embracing both education and employment' (p. 44). In its opinion on the proposal for a Council Regulation on a new European Social Fund aid,¹⁷ the Economic and Social Committee 'with a certain number of reservations, supports the Commission's proposal for Community aids' (p. 31) but seconds the criticism of the European Parliament in that it also calls for 'a thorough reform of education, job counselling, and vocational training' (p. 31) and concludes that the 'proposed emergency scheme is only acceptable as a temporary

measure or subject to a specified time-limit' (p. 31). The Economic and Social Committee basically feels 'that it is paramount that policies on education, on training, and on employment are coordinated at every level' (p. 31). In their criticism of the Commission's proposals the opinions of the EP and the ESC are based on the same basic arguments.

In the Council Regulation of 18 December 1978 on the 'creation of two new types of aid for young people from the European Social Fund,¹⁸ the proposal from the Commission is redesigned'. With efforts to stimulate the economy proving to be of no avail and with constantly rising unemployment, consideration is given to the possibility of combining measures in the field of education with those relating to the redistribution of work (work-sharing, part-time work, continuing training, etc.).¹⁹ In this connection emphasis is placed on the concept of alternance training.

In the communication from the Commission to the Council of 29 October 1979 on 'linking work and training for young persons in the Community'²⁰ alternance training is seen as 'one of the measures . . . which should contribute . . . to the improvement of the employment situation . . .' (p. 1). Objectives are 'improving the employability of young persons by improving their opportunities to obtain training and qualifications', 'reducing the current high levels of youth unemployment by encouraging the substitution of viable alternatives to full-time employment in the perspective of a better management of working time', and 'providing Community support for the reform and modernization of training provision in the Member States' (p. 2). 'The initiative will hence contribute both to a better integration between working time and training and to the continuing need to requalify and update the labour

force' (p. 2). The Commission is of the opinion that a 'resolution to the Council expressing commitment to the development of alternance and establishing objectives at both Member State and Community level' is of importance (p. 15).

The Council Resolution of 18 December 1979 on linked work and training for young persons²¹ is strongly criticized by the European Parliament, which deplores the fact that 'in its present form the resolution is little more than a warning to the Member States'.²² The European Parliament 'deplores the way in which the Council's resolution waters down or ignores important parts of the Commission's proposals . . .' (p. 72) and 'regrets that the Commission did not insist on using its right of proposal accordingly to withdraw its proposals after the Council had adopted amendments which were clearly intended to void them of all substance' (p. 73). The European Parliament 'commends the Commission for its initiative to develop linked work and training courses . . . as a means both of improving and extending vocational training and reducing unemployment among young people' (p. 72) and 'insists strongly on the need both to increase significantly Community appropriations for training and to adapt the provisions of the Social Fund to a policy of continued (alternating) training instead of concentrating solely on retraining the unemployed' (p. 74). In its resolution on the 'employment situation in the Community'²³ the European Parliament had already called upon the Commission and the Council 'to expand substantially training and labour mobility to a level at which it can make real impact . . .' (p. 25).

In all subsequent documents alternance training is stressed as the central core of future policy. In the communication from the Commission to the Council of 28 April

1980²⁴ on guidelines for a Community labour market policy the Commission states that it intends to continue 'its activities on linked training and employment' (p. 22). In its resolution of 27 June 1980 on guidelines for a Community labour market policy²⁵ the Council is of the opinion that 'the links between general education and vocational training should be improved and, in particular, linked work and training should be developed . . .' (p. 3). In its resolution on a Community labour market policy of 17 September 1981²⁶ the European Parliament considers it necessary that 'linked work and training schemes' should be made 'generally available' (p. 66) within the framework of 'measures to promote the improvement of vocational training' (p. 64). The Economic and Social Committee is also of the opinion that 'the Commission should increase its efforts to introduce alternance vocational training' (p. 37).²⁷

It is evident that in general all the Community organs emphasize the significance of educational and vocational training policy in connection with an active employment policy. Since the early eighties have brought no sign of an improvement in the economic situation but on the contrary have given indication that the situation is even likely to worsen, the problem of coordinating vocational training and employment policy is protruding more and more. Training measures do not of themselves create jobs. On the one hand training must be adapted to technical changes at the workplace and on the other hand investments of a longer-term nature must be made in order to create more jobs. As regards the solution of this problem, considerable differences of opinion have arisen between the European Parliament and the Economic and Social Committee on the one hand and the Council on the other. Both the EP and the ESC call repeatedly for basic reforms in the field of

education and training and better coordination between economic and employment policy. They complain that decisions of the Council are not sufficiently binding, that they water down proposals of the Commission, and that they overlook the need for fundamental changes and the possibilities of short-term (financial) intervention.

The Commission is continuing its deliberations concerning the redirection of efforts, as stated in its communication to the Council on youth employment. In its communication to the Council of 24 April 1980 on

'perspectives for education policy in the context of employment policy . . .'²⁸ the Commission is of the opinion that it is 'timely to consider whether new forms of collaboration between the education and the employment sectors need to be developed' (p. 2).

The 'policies focusing all resources on raising the level of vocational skills of new entrants to the labour market must be questioned' (p. 3). Attention is addressed to various work-sharing schemes and to the role of continuing education and training in

the light of rapid technological advance.

However, both 'educational and manpower authorities emphasize the need to provide young people with a basic vocational qualification, not under the illusion that this will directly reduce youth unemployment, but with a view to enabling young people at least to find an initial foothold in the labour market . . .' (p. 5).

What shape these 'new forms of collaboration between the education and the employment sectors' will take remains to be seen.

¹ General guidelines of 26.7.1971. OJ C 81, p. 5 ff, 12.8.1971.

² OJ C 13, p. 1 ff, 12.2.1974.

³ OJ C 98, p. 2 ff, 20.8.1974.

⁴ Decision of the Council of 22 July 1975 on participation of the European Social Fund in measures serving to promote employment. OJ L 199/36, 30.7.1975.

⁵ OJ C 38, p. 1 ff, 19.2.1976.

⁶ OJ C 131, p. 70 ff, 12.6.1976.

⁷ Doc. COM(76)1207/3.

⁸ OJ C 293, p. 48 ff, 13.12.1976.

⁹ Opinion on the main measures to be taken to help unemployed young people, women, and elderly workers and women wishing to resume gainful employment. OJ C 56, p. 1 ff, 7.3.1977.

¹⁰ OJ C 61, p. 25 ff, 10.3.1977.

¹¹ Resolution concerning measures to be taken to improve the preparation of young people for work and to facilitate their transition from education to working life. OJ C 308, p. 1 ff, 30.12.1976.

¹² OJ L 180, p. 18 ff, 20.7.1977.

¹³ Doc. COM(77)476 final, 17.10.1977.

¹⁴ OJ C 100, p. 4 ff, 25.4.1978.

¹⁵ Opinion of the EP on the proposal. OJ C 131, p. 22 ff, 5.6.1978.

¹⁶ Opinion on education and vocational training for young workers. OJ C 181, p. 38 ff, 31.7.1978.

¹⁷ Opinion of 20-21 June 1978. OJ C 283, p. 29 ff, 27.11.1978.

¹⁸ OJ L 361/3, 23.12.1978.

¹⁹ Decision of the Council of 18 December 1979 on the adaptation of working time. OJ C 2, p. 1 ff, 4.1.1980; Resolution of the EP of 17 September 1981 on employment and the adaptation of working time. OJ C 260, p. 54 ff, 12.10.1981.

²⁰ Doc. COM(79)578 final, 29.10.1979.

²¹ OJ C 1, p. 1 ff, 3.1.1980.

²² Opinion of the EP of 13 March 1981. OJ C 77, p. 71 ff, 6.4.1981.

²³ OJ C 34, p. 22 ff, 11.2.1980.

²⁴ COM(80)186 final, 28.4.1980.

²⁵ OJ C 168, p. 1 ff, 8.7.1980.

²⁶ OJ C 260, p. 63 ff, 12.10.1981.

²⁷ Opinion on the development of the social situation in the Community in 1979. OJ C 205, p. 35 ff, 11.8.1980.

²⁸ Doc. COM(80)177 final, 24.4.1980.

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