



WP5 Gothenburg Workshop December 1-2, 2011

EU Collaborative Project “WorkAble”: Making Capabilities Work (2009-2012)

Activation policies and early School leavers in the light of the CA A comparison of France, Italy, Poland and Sweden

Marion Lambert, Isabelle Marion and Josiane Vero

Céreq

10 place de la Joliette BP 21321

13567 Marseille Cedex 02

Abstract

Strategies of employability and activation are recommended in Europe 2020 as they were in the strategy of Lisbon. Both strategies can be regarded as a general approach aimed at increasing people’s readiness to acquire the qualities that are needed for the labour market. In addition, both strategies are aimed at fostering inclusion by stressing the responsibility of the individual to participate in education and employment. In this perspective, the most vulnerable groups, namely more particularly unskilled youth, are targeted.

This papers reports first findings on early school leavers in a comparative context. After setting the scene by outlining main features of early leaving in European countries, it analyses active labour market policies which target at specific groups, i.e. early school leavers, through the lens of the capability approach. To this end, the focus will be on four countries with opposing views of the labour market and social security: France with its continental welfare regime, Italy with its Mediterranean model, Sweden, with its Universalist social-democrat approach and Poland as a new member state.

Activation has become one of the keys to integrate people into the labour market at the European level. The implementation of these policy lines raises delicate questions as to how responsibility for work should be shared among school leavers, employers and public institutions. The capability approach is used here to elucidate the ambiguous relationship between responsibility and freedom. This study based on the EU-SILC and advocates a capability approach, drawing on Amartya Sen’s concepts for analysing labour market policies. The purpose is to ascertain the extent to which individual, household and national labour market policies may contribute to enhance the capability for work.

Keywords: Early school leaver’s, active labour market policies, capability approach

Introduction

Employment policies have undergone strong reforms since the beginning of the 1990's in all developed countries. The main lines of these reforms relied on a theoretical paradigm resulting from the unemployment economic theory in which income support policies must be made more incentive to job search while schemes which result in lower labour costs are developed (including cuts in social security contributions) in order to stimulate employment, as well as job search or training schemes for unemployed. This set of reforms usually summed up by the word "activation" play out differently regarding the specificities of national institutions and policies. However it has generally resulted in a reduced generosity of unemployment insurance, the development of social contributions related to employment (negative income tax), the strengthening of employment services (often involving institutional reforms meant to improve efficiency), the incitation and even obligation to accept an active program of employment policy after a certain unemployment period (Erhel, 2008). This shift from demand-side policies to supply-side policies is determinant. It no longer come to insuring macroeconomic conditions favorable to the capability for work, but to acting on work offers, assessing the individuals looking for a job and providing them with the measures considered as the most suitable to their reintegration into the labour market.

The inclusion of young people from disadvantaged backgrounds has become a priority on the agenda of the European Union. In this perspective, the most vulnerable groups (namely more particularly unskilled youth, immigrants, etc.) are those who are the most targeted by activation logics. Young benefit recipients should be encouraged (via making work pay programmes) or constrained (via workfare schemes) to quickly reintegrate the labour market (Bonvin and Orton, 2008). In this perspective, activation aimed at increasing people's readiness to acquire the qualities that are needed for the labour market. This usually involves acquiring knowledge and skill, which makes the link between employment and education, put at the forefront the issue of employability. The rationale that underpins these debates is the increasing demand for a more highly educated and skilled workforce in a knowledge dependent economy. These evolutions are in line with the desire to raise employment rates, which lies at the heart of the European strategy (Salais, 2006): it sees work as the ideal functioning, without taking account of work and employment quality or the person's specific circumstances (i.e. his or her physical, psychological or other ability to work, to balance work and family life, etc.). This perspective therefore views activation from the angle of adapting to labour market requirements and issues related to quality of life or work are left aside. In addition, this trend is part of the more global transformation of public policies also characterized by a more frequent use of contractualisation, individualisation and accountability (Badan et al., 2003). Here the stress is put on individual responsibility and individual ability to manage their labour market trajectory and integration into the labour market.

The capability approach, drawing on Amartya Sen's concept provides a yardstick to assess both limits and dangers of activation policies. It also provides an alternative yardstick for the design, implementation and evaluation of labour market policies. The Capability Approach (CA), initiated by A. Sen, provides an analysis frame to reconsider the relationship between freedom and responsibility. It develops a demanding conception of freedom based on democratic participation, opportunity access and the power to act. Capabilities aim at giving an actual content beyond its formal aspects, to the concept of freedom. One of the specificities of the approach is thus to combine a descriptive assessment prospect of the freedom to act with a normative prospect which makes the equal distribution of this freedom a principle of justice (Sen, 2009). At the core of the capability approach, exercising any responsibility requires a scope of choice between various possible options and a power to convert the chosen option into an actual achievement. As a consequence, if the early school leaver's are called to become « active player of his/her professional pathway” this implies from a normative point of view that they are given the means which enable him to take this responsibility. From a descriptive point of view, it means thinking about the different factors that act on the exercise of the individual responsibility.

The paper is articulated as follow. In section 2, the notion of capability will first be used to challenge the concept of activation on which the European Policy debate has been focusing and to explain the shift of emphasis involved by the idea of capability for work. In section 3, we'll shed light on the extent of early school leaver's in a European comparative context which are targeted at specific group of activation policies. The data stem from EU-Statistics on Income and Living conditions (EU-SILC). Section 4 related to specific outcomes of this targeted group on the labour market and tackles some issues that are traditionally left aside by activation policies assessment. In this perspective, the focus will be on four countries with opposing views of the labour market and social security: France with its continental welfare regime, Italy with its Mediterranean model, Sweden, with its Universalist social-democrat approach and Poland as a new member state. The last section opens future research avenues and advocates multilevel analysis to tackle labour market outcomes of early school leaver's for analysing individual, household factor and institutional conversion factors allowing them to convert resources into capability for work.

2. Active labour market policies toward early school leaver's and the capability approach

This section will be in two parts. First, the focus will be in a general introduction of the active labour market policies. Second, we will tackle the capability approach as an alternative yardstick against which public policies in this field is to be assessed.

1. On active labour market policies: European Policy trends

Since the 2000 Lisbon strategy, policies that promote active labour market policies have been increasingly favoured at the European policy-making level. Almost ten years on, the Europe

2020 strategy and the corresponding guidelines 7¹ and 8 on member states' employment policies look like the Lisbon strategy as regards its instruments which call for strengthening, among others, active labour market policies (ETUI, 2011). A stronger focus is now placed on youth, education and better skill matching, as well as on labour market transitions. Given the constantly high youth unemployment rates, these policies are targeted at individuals through demanding a change of behaviour. Activation policies aim at « activating » social expenses in order that their recipients find a job again as quickly as possible through financial incentive or constraints (schemes or programmes called « workfare ») where the recipients are automatically attributed some tasks, most of the time, not requiring any skill or qualification and without any professional perspective.

Following Moachon and Bonvin (2010), we may say that *“as a consequence, the main purpose of welfare is not to guarantee a minimum level of material well being via the payment of cash benefits, but to promote individual agency, i.e professional and social integration, via training programmes”*, as the cash welfare state is suspected to foster passivity among its beneficiary, which may in turn result in long-term unemployment and social exclusion. Strategies of activation are therefore to be seen in the context of changing welfare states (Spohrer, 2011). As a consequence, while on the one hand, individuals are made more attractive to employers through training and financial incentives, they are also expected to increase their job search activity. It exists various forms of activation according to countries and their tradition.

However, as underlined by Moachon and Bonvin (2010), their legitimacy is considered as self-evident and is barely questioned. Nevertheless this goal coincides with an increasing focus on individual responsibility. In this context the main responsibility for dealing with unemployment lies with the individual. It is not simply taken to mean that the causes of unemployment are individual but also in terms of making the individual responsible for implementing strategies to find work (Crespo, Serrano Pascual, 2004). This change in the way which responsibility is depicted has come about as the discourse of the knowledge society has gained currency.

In some respects, the transfer of responsibilities which aims to be resolutely innovative matches with both trends of the development of a “knowledge society” and the promotion of “employability strategies” which are increasingly favoured at the European policy-making level. Although the development of employability is a notion which has itself been subject to numerous definitions (Gazier 1990; Bonvin and Farvaque 2006), it is aimed at fostering individual's ability to gain or maintain employment, move between roles within the same organization if required by stressing the responsibility of the employee to participate in lifelong learning. This usually involves acquiring knowledge and skills, which makes employability the link between employment and training.

¹ Guideline 7 « increasing labour market participation »

However, the shift in responsibilities is ambiguous in so far as it encourages the individual's freedom of action but it means at the same time that employees themselves may now have to shoulder the blame for not undergoing CVT and improving their skills. Still, in the lifelong learning system, training is not only up to the employee. Among the factors which influence the exercise of the individual responsibility, the policies conducted in firms to implement the reform rank first. Therefore, the question raised is to know whether the conditions are actually met in the company in order that employees can exercise their responsibility and this so far as in construction of their aspirations for learning.

The ultimate objective is twofold: first maximising the employment rate at the macro level and second reaccelerating the reintegration into the labour market at the micro level (Bonvin and Orton 2010, Salais, 2010, Bonvin and al. 2011, Vero and al. 2012). The debate is then reduced to the maximisation of the employment rate regardless the nature of the employment. Indicators cannot be regarded as an objective description of the world; they provide a partial image of it by selecting one specific informational basis to the detriment of others. In this way, they also require to reconfigure the reality observed in the sense of their underlying values and standards. Indeed, even when indicators are based on objective and irrefutable information, they espouse value judgements, often passed over in silence or taken for granted, about the relevance of information worth retaining at the expense of other facts deemed inappropriate. Sen designates this inescapable partiality of the indicators with the notion of 'positional objectivity', which stresses the fact that, depending on our position, we tend to prioritize a point of view on the reality that we observe, to the detriment of other viewpoints (Sen, 1993). Hence there is no such thing as absolute objectivity, neither in scientific knowledge nor in ethical reasoning. A player's notion of what is a fitting description of reality depends on his/her position or situation. Besides, selection of the informational basis not only has descriptive effects (in that it emphasizes one specific way of describing reality); it likewise has the effect of transforming this reality. With the indicators, as a matter of fact, emphasis is also placed on the relationship between description and prescription. Describing situations means making choices and attracting the attention of public decision-makers and public opinion to the issues regarded as most important. Devising indicators is not merely aimed at describing what exists or analysing practices; it is first and foremost a policy move connected with a prescriptive dimension.

The experts in the Indicators Group of the Employment Committee (EMCO) cannot of course evade this need to select a specific informational basis and the condition of positional objectivity, which lies behind every epistemological approach. It is therefore necessary to ask ourselves about the normative and informational foundations of the employment rate in the light of Sen's epistemological principles. Our intention, then, is to shed light on the normative postulates underlying this indicator, while putting them to the test of an alternative concept of activation brought about by the capability approach.

2. ALMP through the lens of the CA

According to Robert Salais, *‘the upheaval introduced by the capability approach relates to the choice of the (yardstick against which collective action (policies, legislation, procedures) should be devised, implemented and assessed. For Sen, the only ethically legitimate reference point for collective action is the person, and specifically his situation as regards the amount of real freedom he possesses to choose and conduct the life he wishes to lead’* (Salais, 2005: 10).

The Capability Approach (CA), initiated by A. Sen, provides an analysis frame to reconsider the relationship between freedom and responsibility. It develops a demanding conception of freedom based on democratic participation, opportunity access and the power to act. Capabilities aim at giving an actual content beyond its formal aspects, to the concept of freedom. One of the specificities of the approach is thus to combine a descriptive assessment prospect of the freedom to act with a normative prospect which makes the equal distribution of this freedom a principle of justice (Sen, 2009). At the core of the capability approach, exercising any responsibility requires a scope of choice between various possible options and a power to convert the chosen option into an actual achievement. As a consequence, if the employee is called to become « active player of his/her professional pathway” this implies from a normative point of view that he is given the means which enable him to take this responsibility. From a descriptive point of view, it means thinking about the different factors that act on the exercise of the individual responsibility.

This perspective sets out an ambitious way forward for public policy-making, which is not merely about enhancing people’s adaptability to labour market requirements but first and foremost about promoting their real freedom to choose the life they have every good reason to lead. Collective action is therefore expected to develop opportunities for people while acknowledging their free choice with regard to ways of living or being. Central to this endeavour is the capability for work, i.e. “The real freedom to choose the work one has reason to value” (Bonvin and Farvaque).

Moving over to a capability approach-inspired vision of activation would entail a number of developments. First the employment quality issue would need to be integrated into a synchronic and dynamic perspective, referring back to *‘an analysis of the scope of working and living possibilities offered by inclusion in employment’* (Salais and Villeneuve, 2004: 287). Moreover, by contrast with the normative foundations of activation as measured by the employment rate, the capability approach emphasizes the two essential dimensions of real freedom: empowerment (opportunity development), which enables people to acquire the resources of freedom, and respect for process freedom, which enables them to remain in charge of their own choices. Should one of these two dimensions be lacking, the goal of developing capabilities is missed.

By contrast, as mentioned by Bonvin and Vielle (2008), *“activation has been developed with the aim of increasing employment rates, and, given the ongoing modernisation of labour law,*

this central focus on the issue of employment means that social issues (quality of social integration and quality of life in general) are being reduced to the question of employability seen as adaptability to the needs of the labour market”.

The Lisbon Strategy employment targets were a 70% employment rate for the overall population, to be reached by 2010. These targets are not calculated in full-time-equivalent employment, whatever task is taken into account whatever its duration, the number of hours worked per week, the status, etc. (in short, its quality) providing it is considered as a “job” by the statistical source used, National or European. Three employment rates appeared nevertheless in the list of the indicators used: by sex, for the 15-24 year-olds, long term unemployment (12 months and beyond). In early 2010, the European Commission launched a new strategy for the next decade, the Europe 2020 Strategy, to support recovery from the crisis and to set out where the EU wants to be by 2020. Despite the failure to achieve the Lisbon Strategy targets, the Europe 2020 strategy formulated a new ambitious employment rate target of 75% to be reached by 2020. The new employment rate target (formulated for the EU as a whole) refers to the adult population (20-64 years) only, thereby avoiding conflict with the education goal ((European Commission 2010).

Hence, activation policies promoted by the European Commission since 1997, and even a long time before it by the OECD are aimed at increasing employment rate at the expense of other aspects of quality of work and quality of life.

3. Early school leavers in Europe

Strategies of activation are more specifically targeted at groups which are excluded from the labour market participation (Lindsay 2007). Among them are young people from disadvantaged backgrounds who are not in work and education and who are regarded at risk of becoming long-term unemployed (Crespo and Serrano Pascual 2004; Weil and al. 2005). This section examines this issue and briefly sketches the way early school leavers are defined, emphasising the various definitions at stake and compare the situation of each member states.

1. School leaving problematic

An important focus in education research is the occurrence of early school leavers. The problematic early school leaving is inescapable on the European level as it is today recognized as a main challenge for the educative system. Reducing ESL is a headline target for achieving a number of key objectives in the Europe 2020 Strategy and one of the five benchmarks of the strategic framework for European Cooperation in Education and Training (ET 2020). By 2020, the member states are expected to reduce to a 10% rate the early school leaving. The choice of this objective aims at ensuring the equity of educative systems, developing the employability of individuals and ensuring social cohesion.

The European Union is no novice in this regard. Ever since 2003, EU Member States have been expected since the Lisbon strategy, to reduce the share of early school leavers to less than 10% of all 18- to 24-year-olds. This target has not been reached and in continuation of the Lisbon strategy. Therefore, in the strategic framework for cooperation in education and training (ET2020) adopted in 2009², EU Member States have maintained the 2003 benchmark that the average rate of early school leavers should be no more than 10%. In June 2010 the European heads of state and government adopted the Europe 2020 strategy for smart, sustainable and inclusive growth. Giving a strong message to Member States they decided that reducing the share of early school leavers to less than 10% Europe-wide by 2020 is one of the headline targets underpinning this strategy.

This agenda is pursued through the open method of coordination (OMC), whereby each individual country is responsible for determining how to implement the adequate policies. The OMC replaces the classic Community method, based on top-down directives, and is altogether different. Here, the EU does not lay down any laws or binding texts, but issues guidelines accompanied by timetables for attaining general targets. Member States convert the guidelines into national policies and then draw up action plans indicating how they envisage implementing these principles. The Commission scrutinizes these documents, drafts a joint report with the Council of Ministers assessing countries' actions according to a set of indicators. The directives can then be revised for the next time round in the light of this exercise.

2. Early school leaver's: what are we talking about?

The work of defining, measuring, and reporting on early school leavers (ESL) permeates the research. On this topic, many different definitions of early school leaving exist (Fossey, 1996). In very general terms, theorists define ESL as a failure to complete the education that the norms defined as being good for pupils and for society (Viadero, 2001; Finn, 1989) or a failure to complete the education started or school leaving certificates (Montmarquette, Mahseredjian and Houle 2001; Morrow, 1996). ESL can also be defined as a failure to complete upper secondary school, a failure to complete compulsory schooling or a failure to gain qualifications or school leaving certificates.

Policy makers also use varying methods of counting and reporting those students who do not complete their high school education. For example, on the one hand, the OECD defines early school leavers as 20-24 year olds with education below upper secondary level. On the other hand, the European Union is playing a major role in defining the terms of the debate surrounding the early school leaver's. The European Union defines early school leaver's as people aged 18-24 who have only lower secondary education or less and are not longer in education or training. This definition was agreed by EU Education Ministers in the Council in

² http://ec.europa.eu/education/lifelong-learning-policy/doc28_en.htm

2003 (Council conclusions on “reference levels of European Average Performance in Education and Training (Benchmarks)”, May 2003). Early school leavers are therefore those who have only achieved preprimary, primary, lower secondary education or a short upper secondary education of less than 2 years (levels 0,1,2 or 3c short in the united nations International Standard Classification of Education - ISCED)

At EU level ESL rates are defined by the proportion of the population aged 18-24 with only lower secondary education or less and no longer in education or training³. Early school leavers are therefore those who have only achieved pre-primary, primary, lower secondary or a short upper secondary education of less than 2 years (ISCED 0, 1, 2 or 3c shorts), and include those who have only a pre-vocational or vocational education which did not lead to an upper secondary certification. In this perspective, the data on early school leavers are collected annually via the Labour Force Survey. However, the data in this section stem from the EU-Statistics on Income and Living Conditions (EU-SILC) from 2007 where no distinction between lower and upper secondary school can be made. The definition used is slightly different than that used in the European policy context and provides a general underestimation of the early school leaving. Here early school leaver’s comprise those aged 18 to 24 no longer in education who have only achieved preprimary, primary, lower secondary education (levels 0,1,2 in the united nations ISCED). This is the working definition adopted for this document.

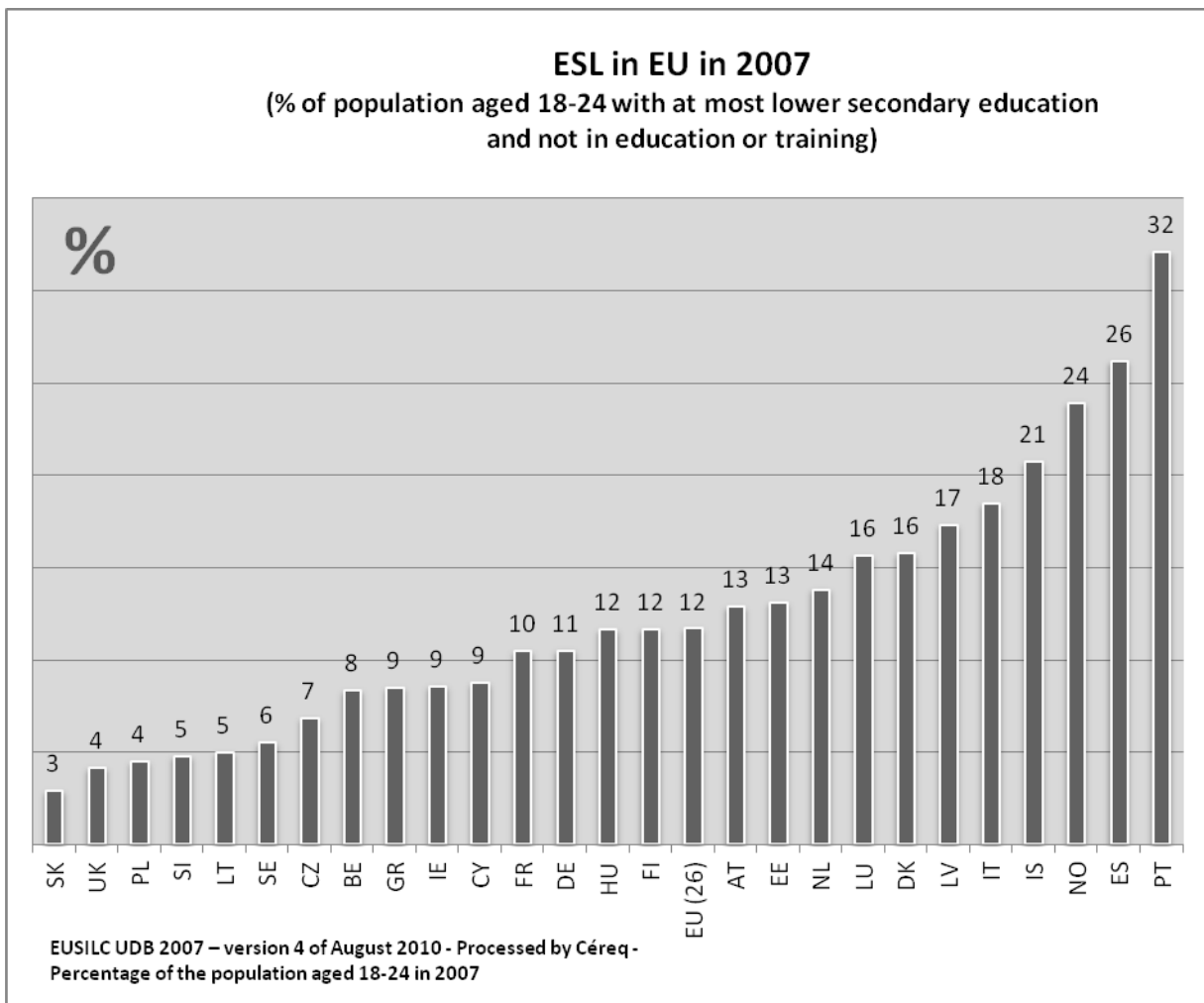
3. Nature and extent of early school leaver’s in Europe

Early school leavers in a comparative context

The data in this section stem from EU-Statistics on Income and Living Conditions (EU-SILC) from 2007. In 2007, using the definition mentioned above in the EU-26, about 12% of people aged 18-24 are classified as early school leaver’s. However significant differences arise among the member states. Figure 1 shows the figures for European Countries.

³ Council conclusions on "Reference levels of European Average Performance in Education and Training (Benchmarks)", May 2003. The OECD defines early school leavers as 20-24 year olds with education below upper secondary level

Figure 1. Percentage of the population aged 18-24 year olds with at most lower secondary education and not in education and training.



Various member states are found to have already achieved the European target: (République Tchèque, 3%; United Kingdom, 4%; Poland 4%; Slovenia, 5%; Lithuania, 5%; Sweden, 6% etc.). France is found to have lower rates of early school leaving than the average for EU-26, occupying an intermediate position alongside the dual system models of Germany (11%), Austria (13%) or the Netherlands (14%). Rates of early school leavers are significantly higher in the Nordic countries (Denmark, 16%; Norway, 24%). However rates of early school leaver's are much higher in Southern European countries than in the rest of Europe (Italy, 18%; Spain, 26%; Portugal, 32%).

Cross-national variation in rates of early leaving reflects, at least in part, the structure of the educational system, but also the way the each level of school pathways is classified in each country in the ISCED classification. Indeed, in the early school leaving discussion we have all the normal comparative problems to different educational systems, different construct definitions and different statistical procedures to suggest a number of common problems that comparative early school leaving has to deal with.

Smyth (2007) has argued that cross-national variation in rates of early leaving reflects, at least in part, the structure of the educational system. *“Two sets of models appear to be associated with lower rates of early leaving: the Nordic model and the dual system model. The Nordic model (found in Sweden and Finland) is based on a comprehensive system with students taking the same pathway, at least until the end of compulsory schooling. This approach, coupled with a strong policy commitment to equity, results in smaller differences between social groups and schools in educational outcomes (see also Willms, 2006, on PISA achievement scores). The dual system model (evident in Germany, Austria and Denmark) on the other hand, involves a rigid differentiation into academic and vocational tracks, the latter usually combining in-school education with on-the-job training. This model appears to provide a pathway for students who might otherwise drop out of school, albeit at the expense of more restricted career pathways in the longer run (Gangl, 2003). High rates of early school leaving in Southern Europe may be attributed to historical trends in educational attainment and the lack of clear trajectories and returns from education.”*

Early school leavers rates have to be interpreted with care

Eurostat emphasizes moreover that the leaver rates have to be interpreted with care and focuses on the need for improving the quality of data. Because of a heterogeneous application of certain concepts, the comparability remains rather restricted. As mentioned by Eurostat, it remains problematic and its quality raised some doubts : in term of reliability, it receives indeed only the poor note C (Melnik and al. 2010).⁴

Comparability across countries is achieved in the European Labour Force Survey (LFS) through various regulations ensuring harmonisation of concepts, definitions and methodologies for all EU Member States, EFTA and candidate countries. However the results might lack comparability across countries due to the heterogeneity of the implementation of the concepts of participation in education and training in the Labour Force Survey

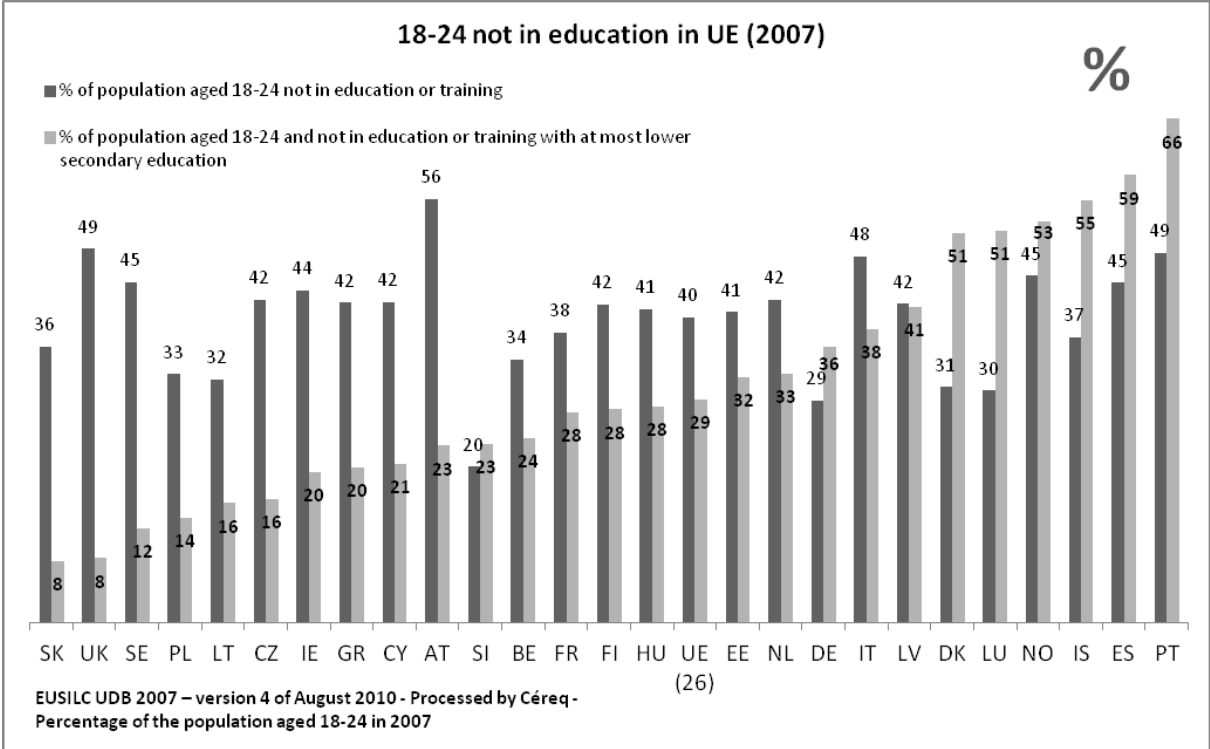
The chapter devoted exclusively to this European indicator details for each country the risks of measurement. A significant fact can for example be advanced to explain why the United Kingdom shows one of the lowest early school leaver' s rate. *“The United Kingdom classifies the first vocational trainings which last less than two years on level 3 of the ISCED whereas they should be logically on level 2 [...] On this point, the international agencies correct or not these British statistics” (CERC, 2008, p. 18)”*.

This problem of UK, even if we are aware of it, may disturb a comparative discussion. In the following sections, the performance of European countries will then be studied through the

⁴ An indicator is graded “C”, if one or both of the following conditions is fulfilled: 1. Data might have to be interpreted with care as methodology/accuracy does not meet high quality standards. 2. There are some serious shortcomings with regard to comparability across countries (including the lack of data) AND breaks in series for several countries which seriously hamper comparison over time (including the lack of data)

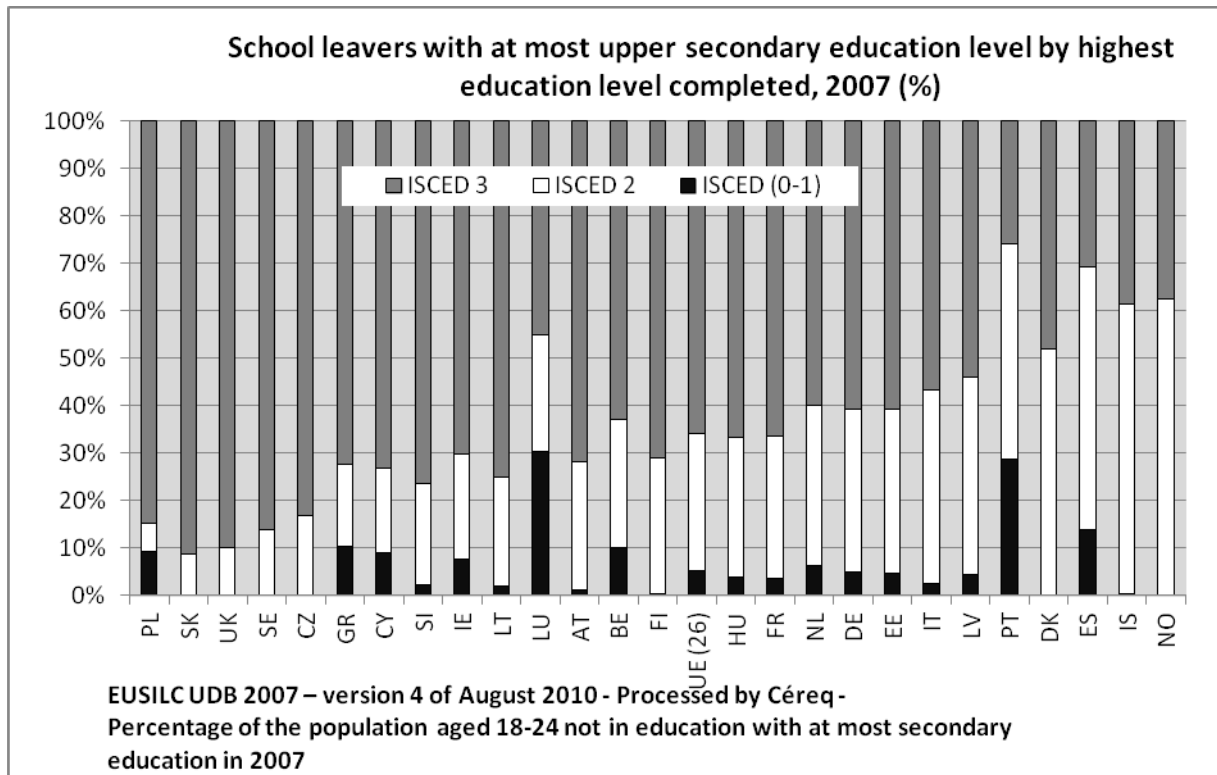
lens of this specific distinction on early school leavers and non early school leaver's, by focusing on four major concurrent options: the continental mindset of the United Kingdom, the universalist mindset adopted in Sweden, the Mediterranean mindset adopted in Italy and the Poland mindset as a new member state.

Figure 2 : Levels of education of 18-24 years old and of school



Note:
 Among the 18-24 year old Portuguese, 49% are not any more in studies
 Among the young Portuguese of 18-24 years olds which left school, 66% leavesat most lower secondary level

Figure 3. School leavers with at most upper secondary education level by highest education level completed



The profile of early school leavers varies considerably within the EU according to the highest education level achieved. In order to indicate the variety of young who stop their studies prematurely, one may divide the school leavers into three sub-groups, while being based on the level of education carried out.

The first group is composed of those which stopped pre-primary or primary school education. This group is often categorized of “dropouts” and it is about the most problematic group because they did not obtain any type of qualification and they will be confronted with serious problems while entering the job market.

The second one is composed of those which leave school at most lower education level. Compared with the first group, they will probably have more chances on the labour market but a level of lower secondary education is however not regarded as a sufficient qualification by many countries to enter and remain in the labour market.

The third one is composed of those which attain the upper secondary education which generally begins at the end of compulsory education; the entrance age is typically 15 or 16 years and entrance qualifications and other minimum entry requirements are usually needed; instruction is often more subject-oriented and typical duration varies from two to five years. Over 5% of early school leaver’s in the EU-26 complete only primary education. This trend is especially strong in Luxembourg (31%) and Portugal (29%).

Around 35% of early school leavers in the EU complete at most lower secondary education. This trend is especially strong in Portugal (74%) and Spain (70%).

3. Consequences of early school leaving to a range of later labour market outcomes: common trends and national flavours

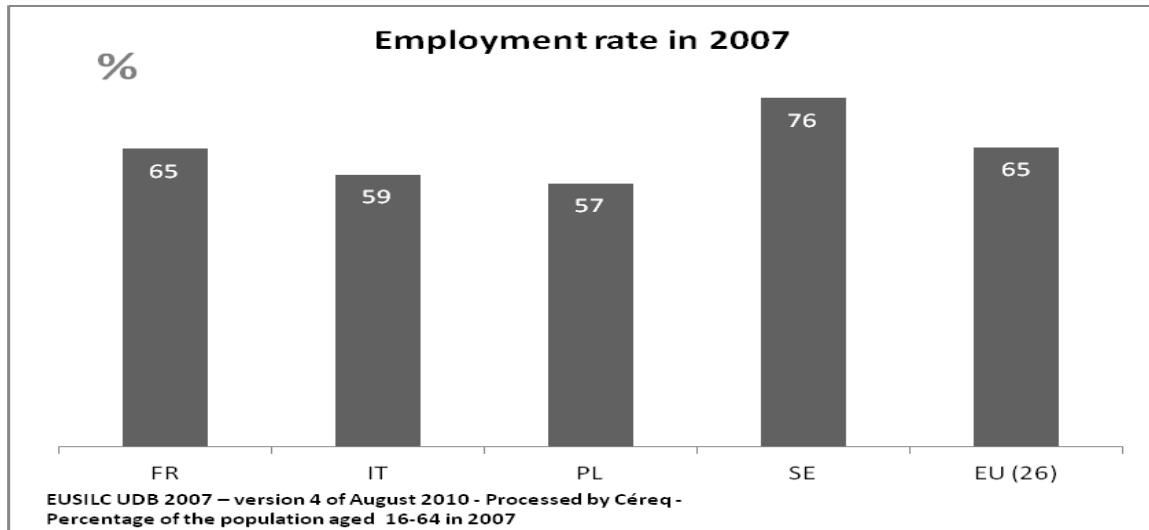
This section proposes a first analyse of labour market outcomes of early school leaver's in the light of the Europe 2020 targets. It focuses mainly on guideline 7 'Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality' (Council of the EU 2010). It looks at developments in employment rates, unemployment rates and forms of non-standard employment, taking account of various subgroups such as education groups and age. Moreover, expenditures in active labour market policies, stemming from LMP database (Eurostat) is put in relation to this set of indicators.

The data used for performance indicators mostly come from Eurostat. There are harmonised data. The national sources have been elaborated either, either before during the questionnaire design or, later in the procedures of statistical processing, in order to provide figures that match with the accounts categories and frames defined at the European level. But, it is worth emphasizing the harmonisation doesn't remove at all the differences of heterogeneities resulting from the specificities of national institutions or management modes of national public policies.

1. Employment rate of early school leaver's in a number of EU countries in 2007

As mentioned in section 2, the objective of active labour market policies is to increase employment rate. The Lisbon strategy employment targets were of 70% employment rate for the overall population to be reached by 2010. In 2007, total employment stood at 65% and was 5% below the 2010 target.. .

Figure 4 – Employment rate of 16-64 year olds



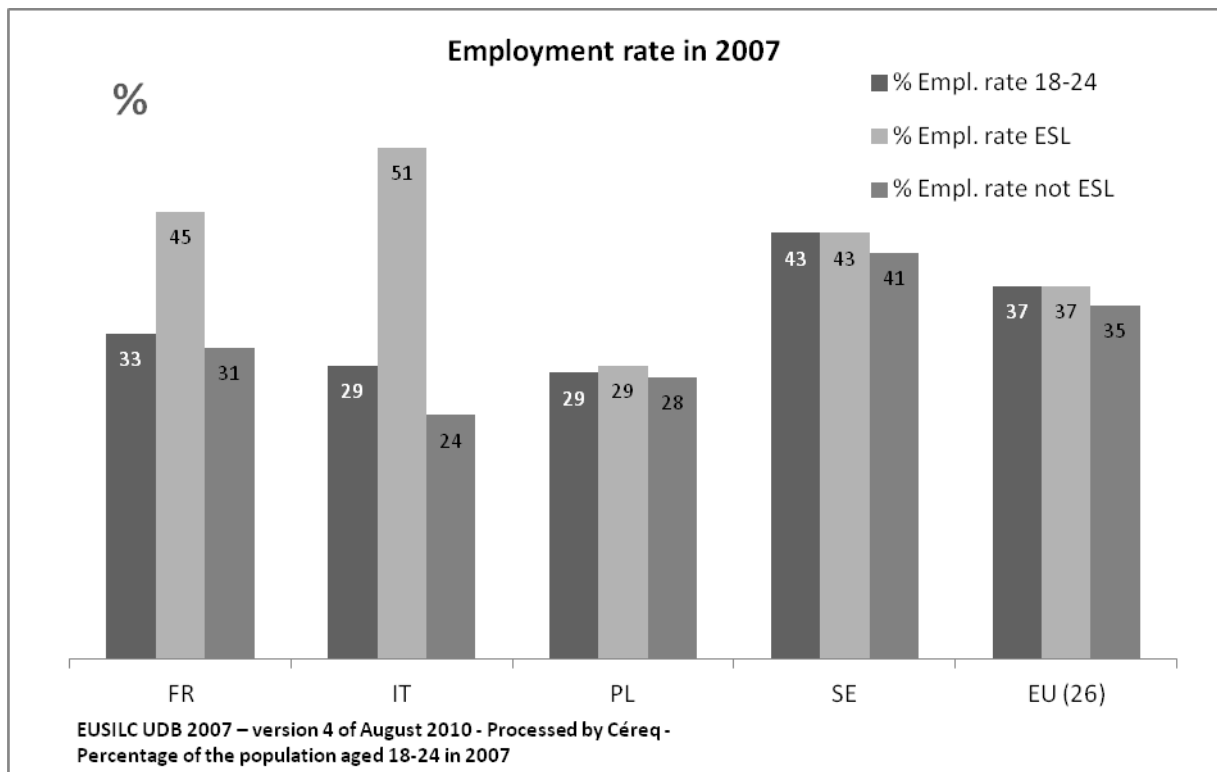
No obvious ranking emerges here since Poland, Italy and France have close figures. However, Sweden do particularly better than the average of EU-26 and the three other countries studies

On the contrary, among the youth (18-24 year olds) there are huge differences in employment rates in the four countries under examination, ranging from fewer than 30% in Poland to more than 50% in France. Different factors influence the youth employment rate among them the structure and design of educational systems (e.g. importance of apprenticeship versus university studies, the average duration studies), the frequency with which work and studies are combined, as well as the labour market possibilities for youth (school-to-work transition).

Contrary to the naive positivism advocated by a number of figure users, the institutional and instrumental framing of these data on the national scale remains significant and false the comparability on the European scale. For instance, the legislation on work contract are different and tend to favour regarding the employment rate score the countries with flexible and minimalist rules. In the same way, the inequalities in the development of general and vocational scholarship in its various forms (for example whether apprenticeship is carried out within or outside the firm) challenge the relevance of the 18-24 year-olds category. The employment rate for the 18-24 year-olds is statistically low for the countries which have invested a for a long time into the training of the labour force (whose access to the labour market is therefore delayed).

Whereas the Lisbon first objective is to faire de l'europe une économie de la connaissance, and to meet the Lisbon commitments in terms of EES, will these countries have to reduce their education investments? The employment rate targets for 2010 have already been reached for some countries (UK, the Netherlands) and are out of reach for other Southern countries. These examples, to some respect extreme, are nevertheless symptomatic of the internal contradictions and the drift generated by OMC and its current application (Salais, 2004).

Figure 5- Employment rates of youth (18-24 year olds)



Persons with the lowest educational attainment have considerably lower employment rates in France and Italy as there is no significant differences among Poland, Sweden and the EU-26.

2. Unemployment of early school leaver's in a number of EU countries in 2007

Figure 6. Unemployment rate of 16-64 year olds

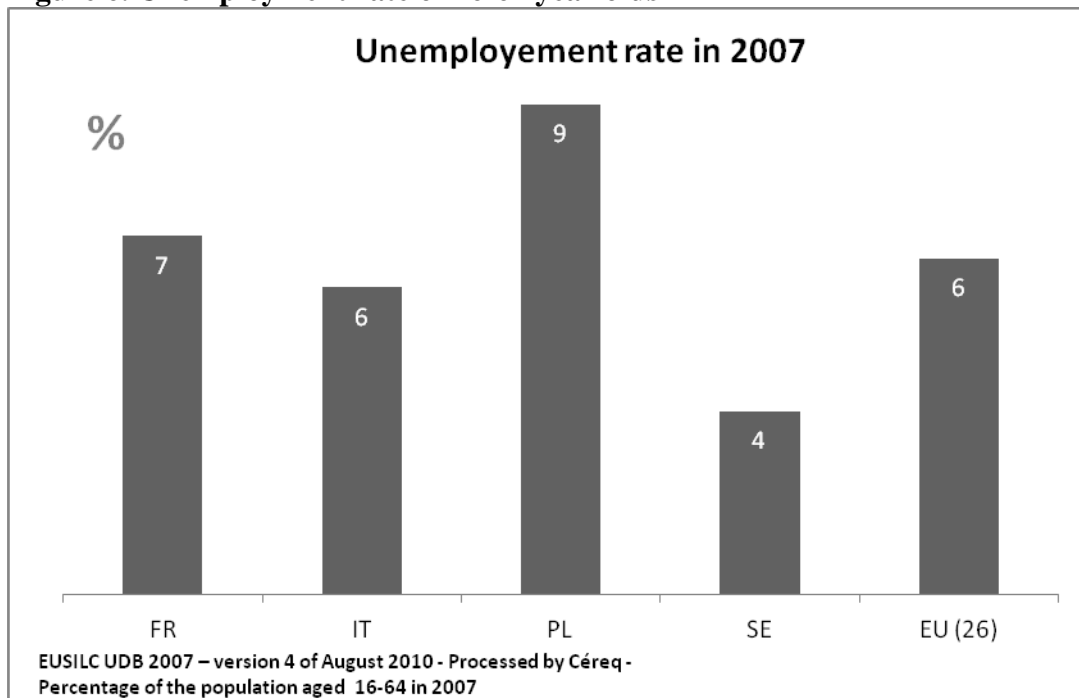
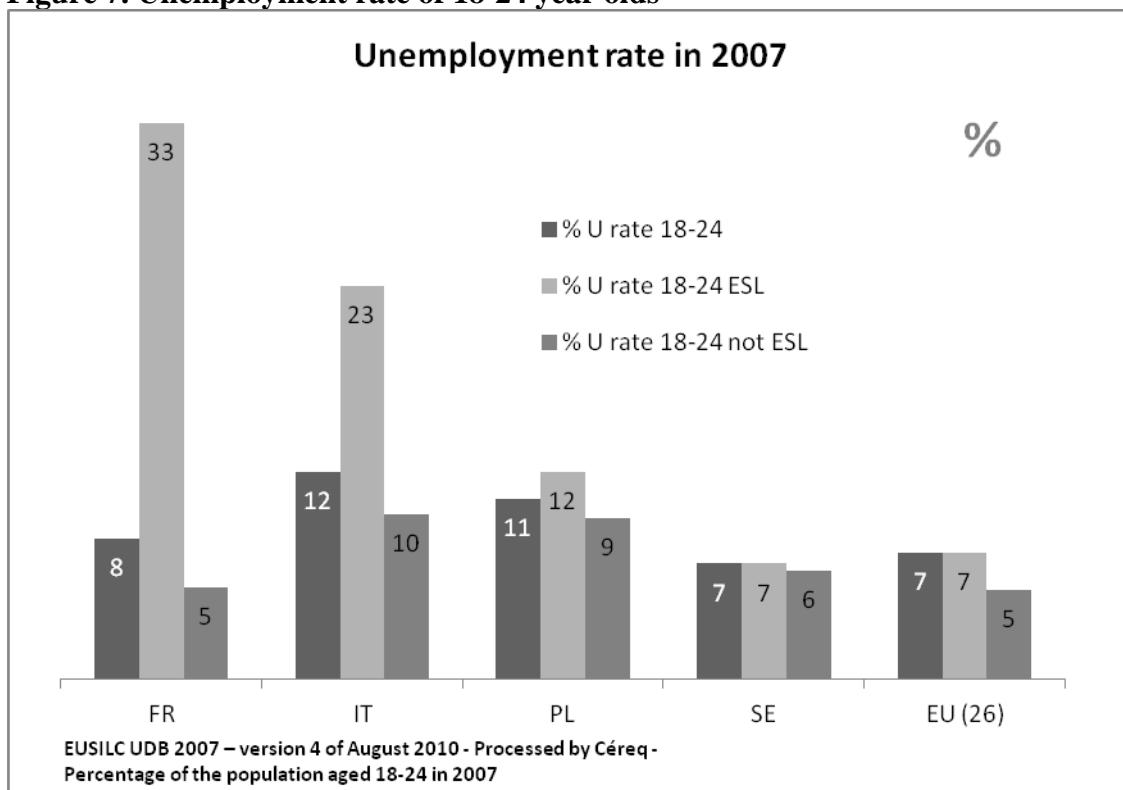
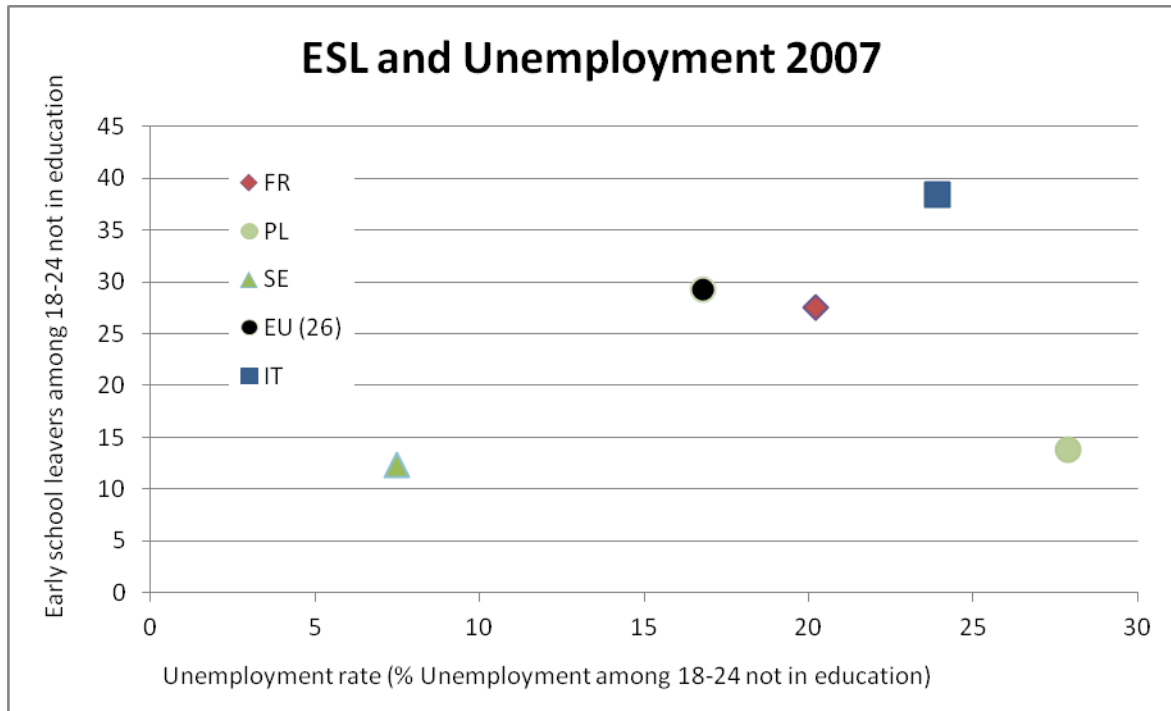


Figure 7. Unemployment rate of 18-24 year olds



In terms of labour market outcomes, early school leaver's are much more likely to experience unemployment than their more high educated counterparts in the post-school period, specially in France and in Italy.

Figure 8. Unemployment rate of 18-24 year olds and early school leavers



EUSILC UDB 2007 – version 4 of August 2010 - Processed by Céreq -

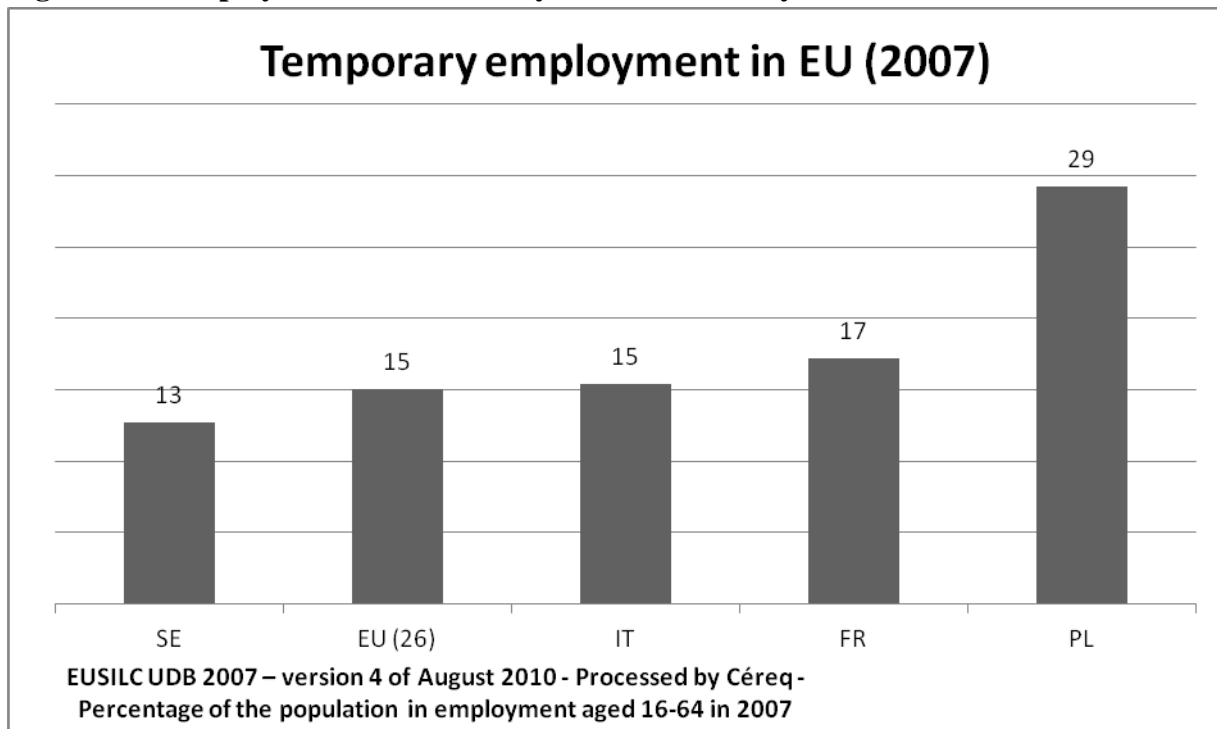
3. Temporary employment of young workers: Differences among member states

In continuation to the Lisbon period, ‘fighting segmentation’ is also an issue in the Europe 2020 strategy. The Flagship Initiative ‘An agenda for new skills And jobs’, asks the member states to ‘implement their national pathways for flexicurity, to reduce labour market segmentation (and facilitate transitions as well as facilitating the reconciliation of work and family life’). In guideline 7, Member states are asked to ‘step up social dialogue and tackle labour market segmentation with measures addressing precarious employment, underemployment and undeclared work’ They are also asked to combat in-work poverty and – this being a new feature as compared to the Lisbon Strategy employment Guidelines –to provide adequate social security also for those on fixed-term contracts and the self-employed.

This paragraph as well as the following one look at the development in non-standards employment of early school leaver's.

Temporary employment (the EU-SILC definition includes fixed-term contracts, seasonal work, non-permanent temporary agency work and specific training contracts) reached 15% in 2007. Figure 9 illustrates the country differences in the extent of temporary employment. Poland has the highest temporary Employment rate (even in EU-26). The share in total temporary employment is 29%.

Figure 9. Unemployment rate of 18-24 year olds and early school leavers



Poland has the highest temporary Employment rate (even among the other European member states)

In general, the share of temporary employment in total employment is clearly linked to the strictness of employment protection legislation (EPL) for workers with permanent contracts. In the context, where labour legislation provides little protection, the proportion of open-ended contracts is especially high and temporary work is not widespread, since permanent contracts do not confer any guarantee of stability on employees (Vero and al, 2012).

The France, the legislation on redundancy is rigid

Italie ... to be completed

Pologne... to be completed

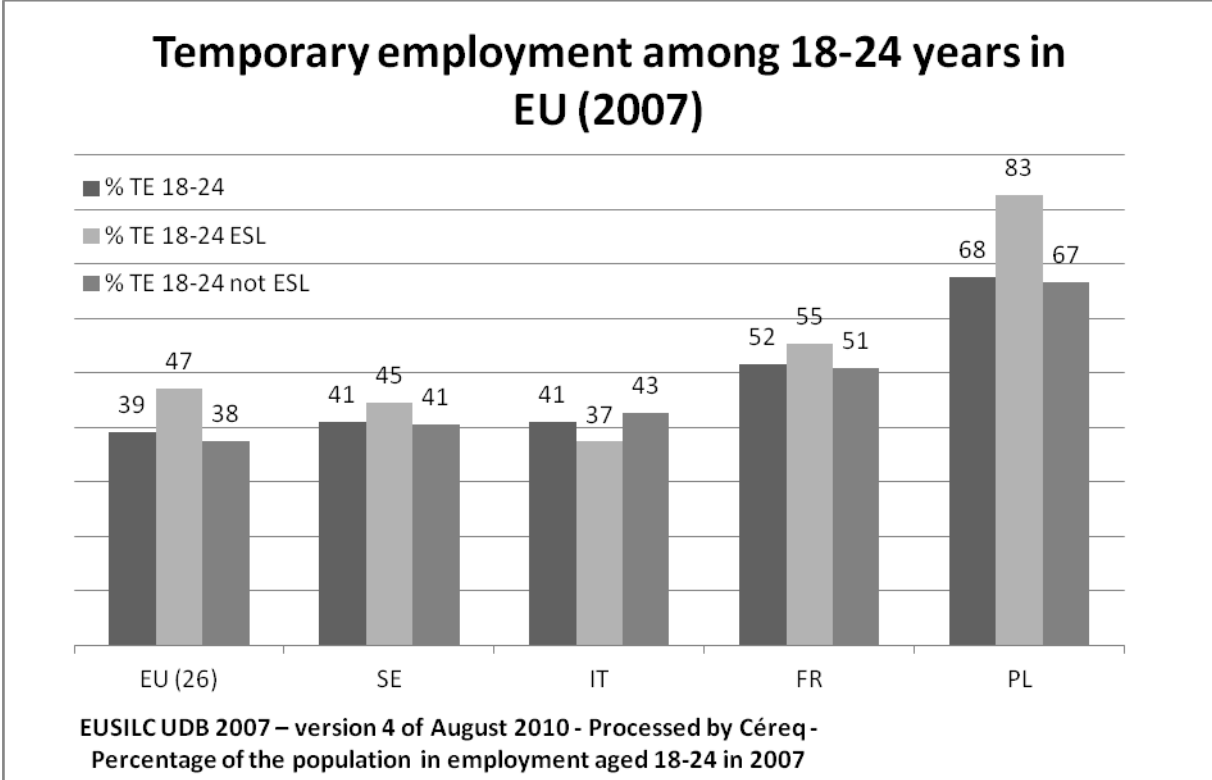
By contrast, Sweden is a country where employment protection is stringent and redundancy legislation more restrictive. Despite rendering the legislation on temporary work considerably more flexible, Sweden still affords a significant amount of employment protection: this explains why less recourse is made to permanent contracts. It is worth pointing out that the

Swedish social partners are heavily involved in labour market regulation and are represented on parliamentary and governmental committees responsible for introducing labour legislation. Moreover, there are numerous sectoral and company-level collective agreements regulating issues such as working conditions, working time and job protection (Anxo and Niklasson, 2006)..

Even if there are differences among the four member states in temporary employment, temporary contracts are most commonly held by young workers of 18-24 year olds (Figure 10). This pattern is replicated in almost all countries. On the EU26 average 39% of young workers (18-24 year olds).

Early school leaver’s not only have lower employment rates, but, on average, also have even much more higher temporary rates than those with higher educational level. The EU temporary employment averages are 47% for young early school leavers and 38% for those the average of 18-24 year olds. In only one country, namely Italy, are those with, at most, lower secondary education, somewhat less affected than those with higher education level. WHY??

Figure 10. Temporary employment rate of 18-24 year olds and early school leavers



3. Part-time employment among member-states

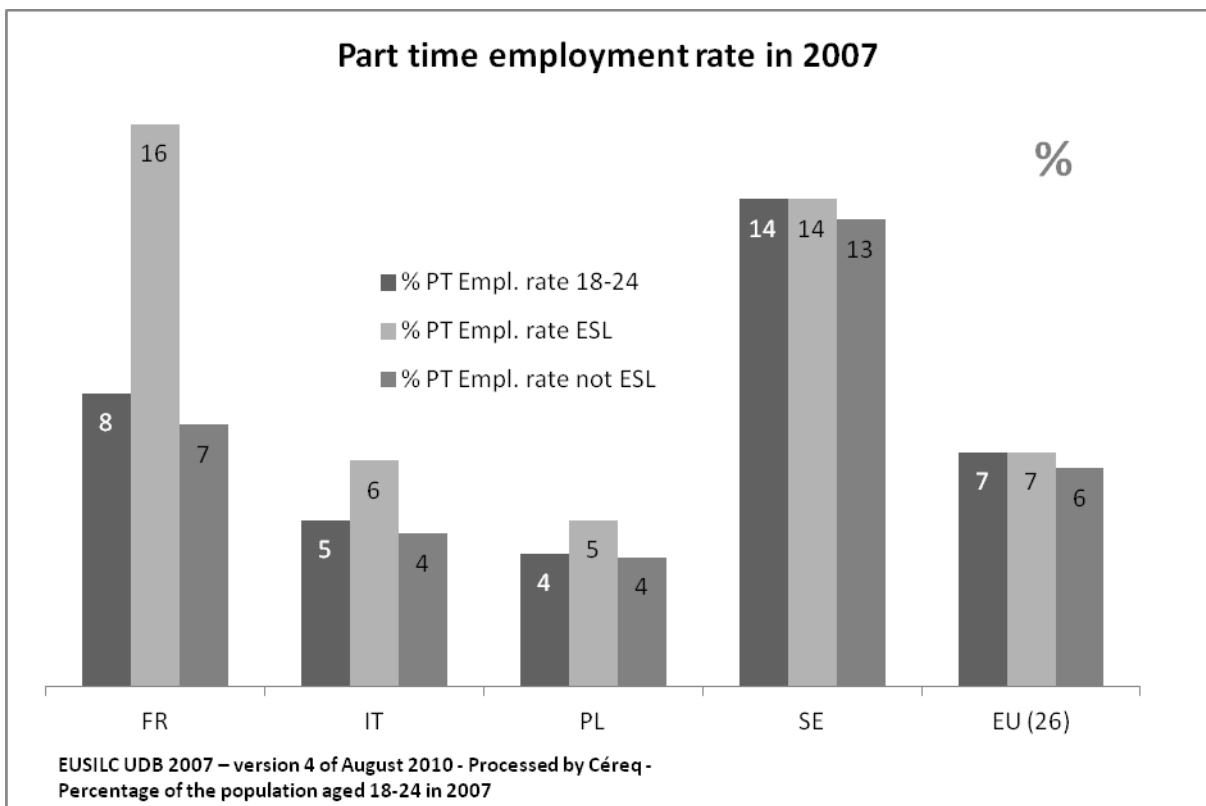
Part-time employment in Sweden takes place to a more important extent. In 2007, while in the EU-26 the part-time rate was 11%, 16% of Swedish people (aged 16-64) worked part-time, while 5% in Poland, 7% in Italy and on the average in France.

Part-time employment among early school leaver's doesn't takes place to a very considerable extent. In 2007 in the EU26, while 7% of non school leaver's workers.

Figure 11. Part-time employment rate of 16-64 year olds and early school leavers



Figure 12. Part-time employment rate of 18-24 year olds



Temporary employment is not still taken up as a matter of choice. Asked why they work less than 30 hours, the young adults 18-24 year olds declare the following responses.

Figure 13- Reasons for not working less than 30 hours of 18-24 young workers, 2007

	18-24	18-24 ESL	18-24 non ESL
Undergoing education or training	33,96	0,03	41,58
Personal illness or disability	1,61	6,34	0,55
Want to work more hours but cannot find a job(s) or work(s) of more hours	30,91	42,07	28,4
Do not want to work more hours	7,77	8,38	7,64
Number of hours in all job(s) are considered as a full-time job	3,63	7,23	2,82
Housework	8,9	11,41	8,33
Other reasons	13,22	24,54	10,68
Total	100	100	100

EUSILC UDB 2007 – version 4 of August 2010 - Processed by Céreq –

4) Member states differ in their labour market expenditures

Active labour market policies are recommended in Europe 2020, as they were in the Lisbon strategy, as one important instrument for fostering labour market transitions. Yet not clear targets are formulated as there is controversial evidence on the effectiveness of ALMP's (ETUI, 2011).

Seven broad categories of ALMP are commonly distinguished: labour market services; training; job rotation and job sharing; employment incentives; supported employment and rehabilitation; direct job creation; and start-up incentives. Figure X shows expenditure on labour market services and genuine active labour market policies as well as on passive labour market policies (unemployment benefits and early retirement) as a percentage of GDP in 2008 (latest available data). Countries are sorted by their unemployment rate in 2008 (right Y-axis). There is no apparent correlation between size of unemployment and expenditure on labour market policies. On the EU 27 average, expenditure on passive benefits and ALMPs as a share of GDP was 16%. The two countries with the lowest unemployment rates in 2008 (the Netherlands and Denmark) were among the highest spenders with 23% and 24% respectively and thus similar overall spending levels as Spain, the country with by far the highest unemployment rate. The highest overall expenditure is recorded for Belgium (33%) with an

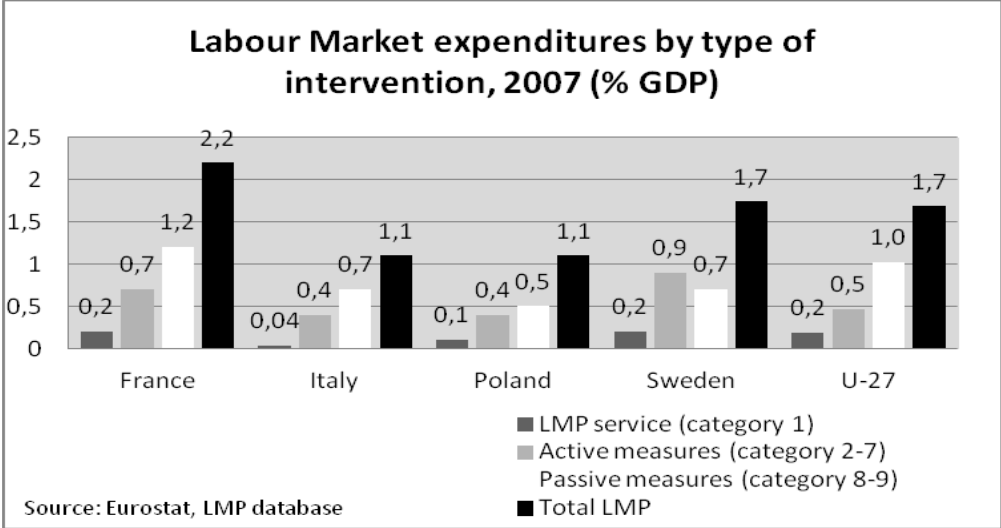
unemployment rate that matches the EU27 average. There is a clear difference between EU15 and EU10 countries with EU10 countries all spending well below the EU average. Among the EU15 countries, only the UK and Greece have very low spending levels.

The highest expenditure for ALMPs is evident in Belgium, Denmark and the Netherlands Countries with particularly low shares are Estonia and Romania, Cyprus and Latvia. Most countries spend more on passive than on active labour market policies The exceptions to the rule are Denmark (with equal shares), the Czech Republic, Lithuania, the UK, Poland, Bulgaria and Sweden, all, except for Denmark, being countries with below average total expenditure levels.

As regards the impact of the crisis on active labour market policies and vice versa, the data is still sparse. As the payment of unemployment benefits has to be given priority, it is likely that the use of active labour market policies will be crowded out or that the focus will be placed on the less costly measures (eg job search assistance instead of training measures). Moreover, any positive effects of ALMPs will be observable only after a delay As regards the second phase of the crisis, the austerity packages recently announced in a number of countries do not augur well, insofar as labour market and social policies seem to be among the primary target are as in many countries.

Eurostat's labour market policy (LMP) statistics provide information on labour market interventions, which are government actions to help and support the unemployed and other disadvantaged groups in the transition from unemployment or inactivity to work.

Table X: Expenditures on Active labour markets and unemployment rate (2007)



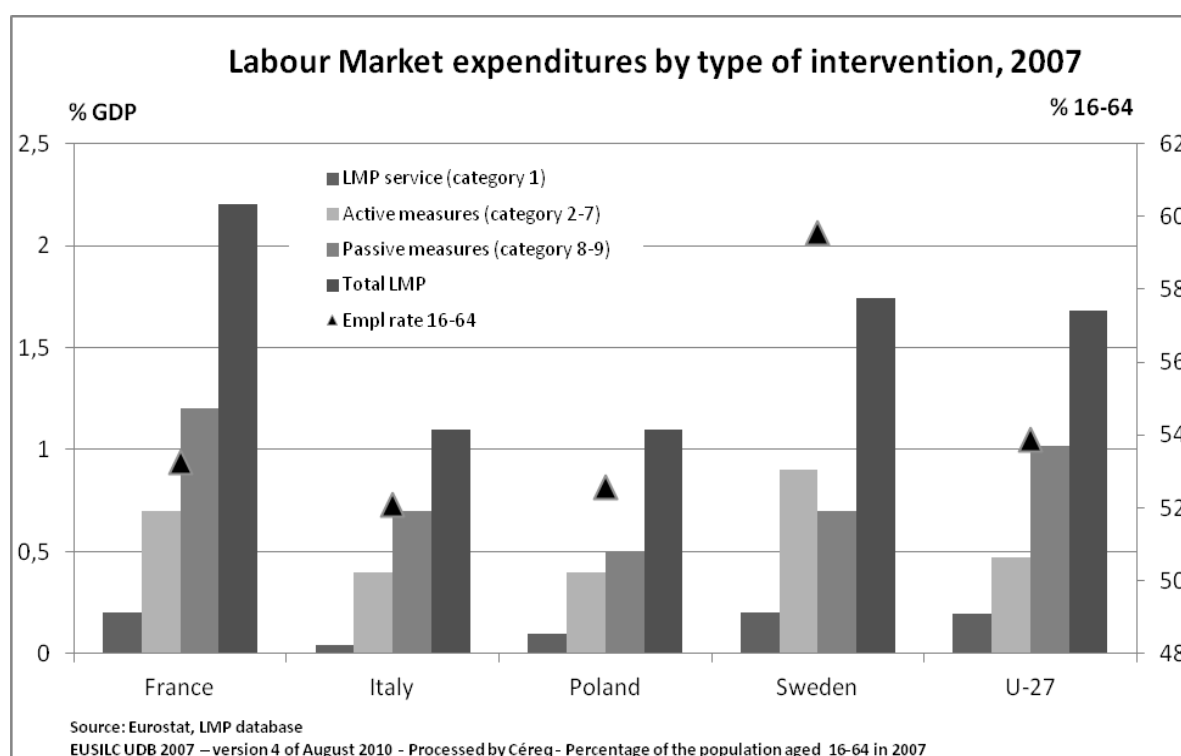
Données 2007: http://eppeurostateceuropa.eu/cache/ITY_OFFPUB/KS-QA-09-023/EN/KS-QA-09-023-ENPDF

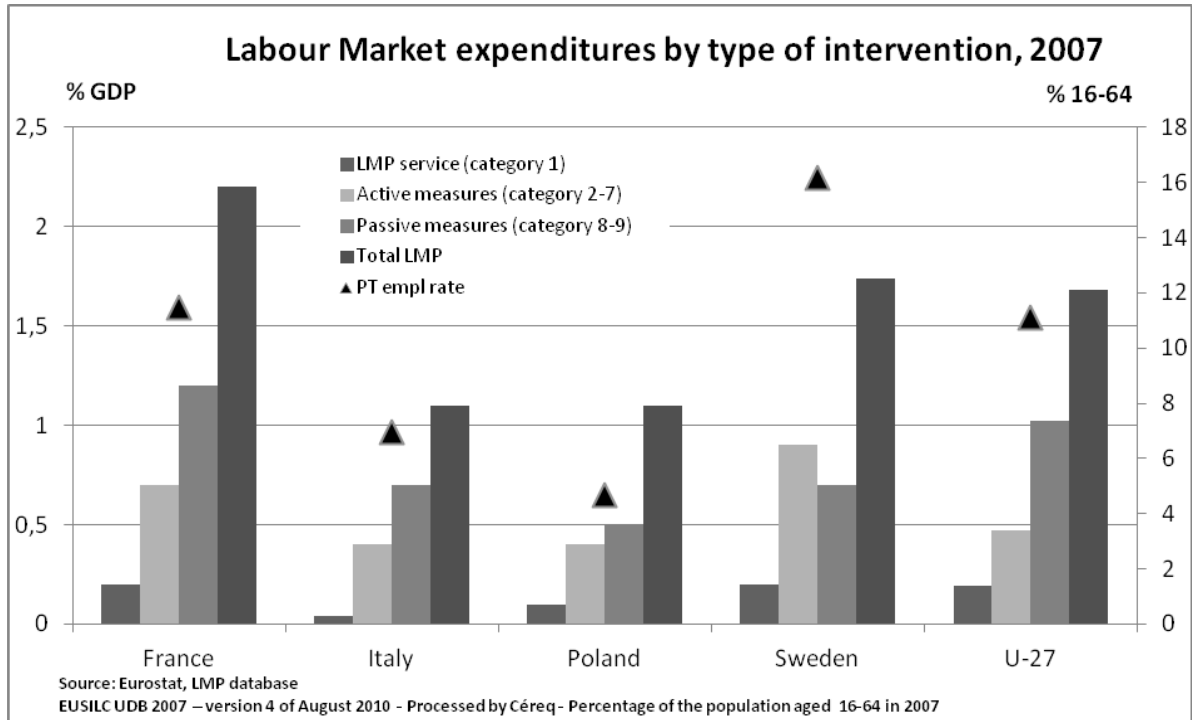
Table - Expenditures on Active labour markets and unemployment rate, 2007 (percentage GDP)

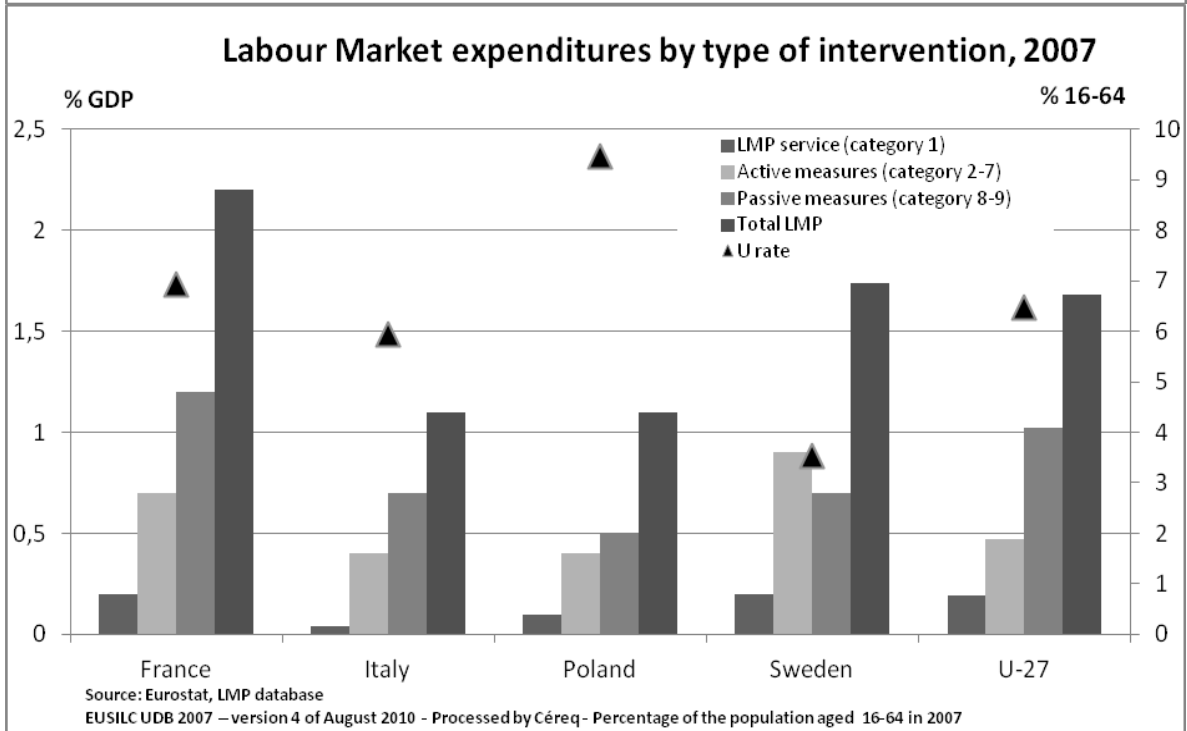
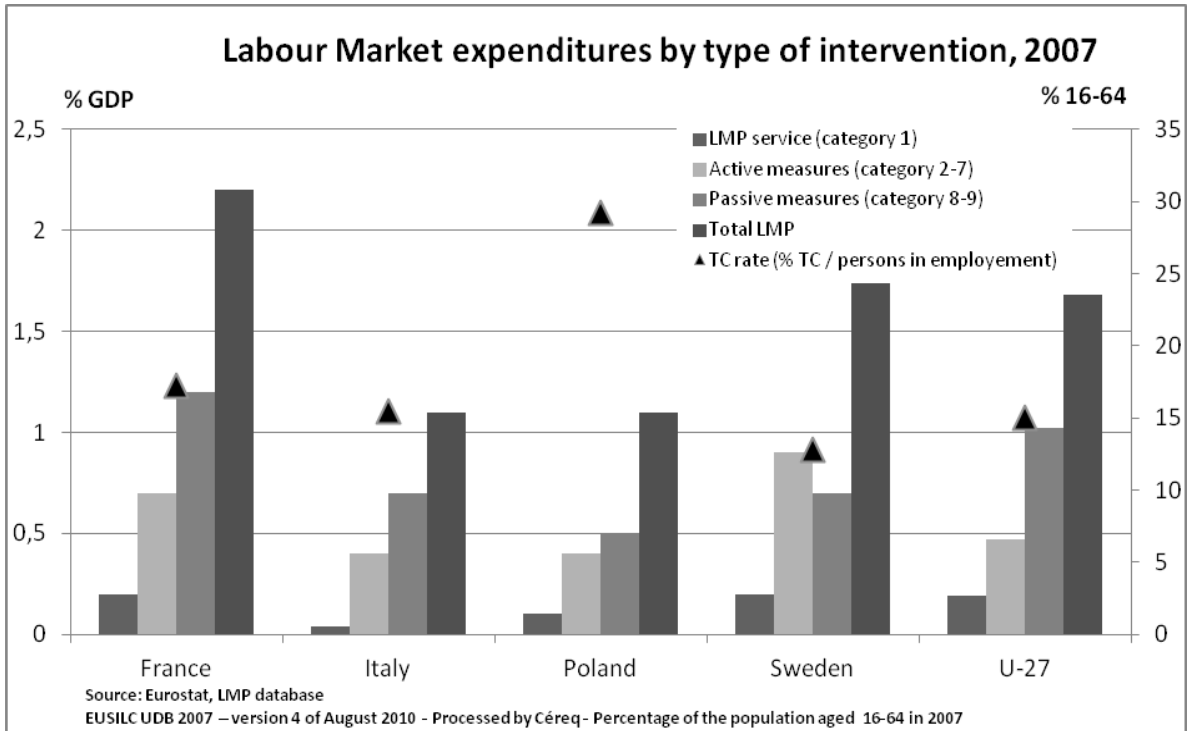
	France	Italy	Poland	Sweden	EU-27
LMP services (category 1)	0,223e	0,036s	0,096e	0,169e	0,193s
Active measures (category 2-7)	0,691e	0,370	0,405	0,907	0,470s
Passive measures (category 8-9)	1,239	0,712	0,514	0,665	1,020s
Total LMP	2,154e	1,118s	1,105e	1,741e	1,683s
Unemployment rate					

Source : Eurostat (2009) Labour Market Policy database- e : estimated value – s Eurostat estimate

LMP expenditures include the costs of services for jobseekers provided by the Public Employment services (LMP services), the cost of “active” interventions such as training and employment incentives to help the unemployed and other target groups as well as “passive” supports, which mostly refer to unemployment benefits.







Inset 1 - Eurostat Labour Market Policy (LMP)

LMP statistics are an important source of data for monitoring the European Employment Strategy (EES) which advocates active and preventive labour market measures.

Labour market interventions can be described as "*Public interventions in the labour market aimed at reaching its efficient functioning and correcting disequilibria and which can be distinguished from other general employment policy interventions in that they act selectively to favour particular groups in the labour market*".

Public interventions refer to actions taken by general government in this respect, which involve expenditure, either in the form of actual disbursements or of foregone revenue (reductions in taxes, social contributions or other charges normally payable).

The scope of LMP statistics is limited to interventions that are explicitly targeted at groups of persons with difficulties in the labour market: the unemployed, persons employed but at risk of involuntary job loss and persons currently considered as inactive persons but who would like to enter the labour market. The unit of observation is the labour market intervention and data on the expenditure and participants for each intervention are collected annually from administrative sources in each country. In addition extensive qualitative information describing the details of each intervention is collected. LMP interventions are grouped into three main types – LMP services, LMP measures and LMP supports –and then further classified into nine detailed categories according to the type of action.

LMP services cover all services and activities of the Public Employment Services (PES) together with any other publicly funded services for jobseekers.

Category 1: Labour market services: *LMP measures* cover interventions that provide temporary support for groups that are disadvantaged in the labour market and which aim at 'activating' the unemployed, i.e. they require participants to take part in some activity, in addition to or instead of their regular job-search, that aims to broaden their skills or experience of work and therefore improve their chance of finding a regular job in future. Measures can also aim at helping people move from involuntary inactivity into employment or to maintaining the jobs of persons threatened by unemployment.

Category 2: Training

Category 3: Job rotation and job sharing

Category 4: Employment incentives

Category 5: Supported employment and rehabilitation

Category 6: Direct job creation

Category 7: Start-up incentives

LMP supports cover financial assistance that aims to compensate individuals for loss of wage or salary and support them during job-search (i.e. mostly unemployment benefits) or which facilitates early retirement.

Category 8: Out-of-work income maintenance and support

Category 9: Early retirement

2. A way back to learning? On post-school pathways

We'll here examine the consequences of early school leaving for a range of later outcomes. Early school leaver's are found to experience disadvantages in relation to access to further education/ training, employment chances, employment quality and broader social outcomes.

Access to further education and higher education is generally restricted to those who higher grades and participation in lifelong learning is more prevalent among those who already have higher level of education.

TOWARD NEXT STEPS...

The implementation of multi-level models will be the next step. Multilevel models are statistical models of parameters that vary at more than one level and may be particularly suitable to size the role of various conversion factors on the capability for work of young early school leavers. The model used should be a multilevel model because there are at least three levels in the available data: data at the country level, data at the household level and data at the individual level.

- The role of institutional conversion factors (notably the role of active and passive labour expenditures, regional unemployment rates, but also educational systems, etc.),
- The role of environmental conversion factors (household characteristics)
- The impact of individual characteristics (early school leavers, labour market trajectory since leaving school. Next steps will be based on the longitudinal survey. La reconstitution du parcours antérieur des jeunes early school leavers permettra d'analyser leurs trajectoires types

The capability approach will be analyzed through :

- The possibility to work more than 30 hours
- The possibility to work in a permanent contract
- The possibility to work full time
- The Possibility not to be unemployed

A multidimensional indicator of the quality of work might be developed in order to summarize all the dimensions.

Finally the paper will shed light on the various conversion factors that might develop the capability not to be in-work poverty or working poor.

References

- Bonvin J-M and Farvaque N (2006) Promoting capability for work: the role of local actors In: Deneulin S et al (eds) *The Capability Approach: Transforming Unjust Structures* Dordrecht: Springer, 121–42
- Bonvin J-M and Orton M (2009) Activation policies and organisational innovation: the added value of the capability approach *International Journal of Sociology and Social Policy* 29(11): 565–74
- CERC (2008) *Les jeunes sans diplôme, un devoir national*, Rapport n° 9, *La Documentation Française*.
- Dwyer, P and Wyn, J (2001) *Youth, education and risk: Facing the future* London: Routledge/Falmer
- Crespo and Serrano Pascual (2004)
- ETUI (2011), “Labour market developments in the light of the crisis and the Europe 2020 strategy”, in *Benchmarking Working Europe 2011*, 112 pages.
- EUROSTAT (2008), *Europe in Figures*, Eurostat Yearbook, 566 p.
- Finn, J D (1989) Withdrawing from school *Review of Educational Research*, 59(2), 117-142
- Fossey, R (1996) School dropout rates: Are we sure they are going down? *Phi Delta Kappan*, 78(2), 140-145
- Gagel S (2009), Labour market policies (LMP) – expenditure and participants 2007, Eurostat, data in focus, 23/2009, 8 pages
- Green, A, Wolf, A, and Tom Leney, T (1999) *Convergence and Divergence in European Education and Training Systems* London: Institute of Education, 1999
- Jordan, W A, Lara, J, and McPartland, J M (1996) Exploring the causes of early dropout among race-ethnic and gender groups *Youth and Society*, 28, 62-94,
- Montmarquette, C, Mahseredjian, S, and Houle, R (2001) The determinants of university dropouts: a bivariate probability model with sample selection *Economics of education review*, 20(5), 475-484
- Morrow, G (1986) Standardizing practice with analysis of school dropouts *Teachers College Record*, 87(3), 342-355
- Salais (2005)
- Salais R. (2006) Reforming the European Social Model and the politics of indicators. From the unemployment rate to the employment rate in the European Employment Strategy, in Maria Jepsen and Amparo Serrano (eds.), *Unwrapping the European Social Model*, Bristol, The Policy Press
- Suh, S, Suh, J, & Houston, I (2007) Predictors of categorical at-risk high school dropouts *Journal of Counseling and Development*, 85, 196–203
- Viadero, D (2001) The dropout dilemma Research hindered by lack of uniform way to count students who quit school *Education Week*, February 7
- Steedman H, Verdier E coord (2010), *Les élèves sans qualification : La France et les pays de l’OCDE*, rapport pour le Haut Conseil de l’Education, December, 168 p
- OECD, 2004 Education at Glance
- Bonvin J-M (2008) Activation policies, new modes of governance and the issue of responsibility *Social Policy and Society* 7(3): 367–77

Orton M (2011), “Flourishing lives: the capabilities approach as a framework for new thinking About employment, work and welfare in the 21st century”, *Work Employment Society*,

Vero J, Bonvin J-M, Lambert M, Moachon E (2012), “Decoding the European dynamic employment security indicator through the lens of the capability approach A comparison of the United Kingdom and Sweden”, in Abbatecola E, Lefresne F, Verd J-M and Vero J (eds), *Individual working lives, social protection and the Capability perspective*, *Transfer*, 1/2012.

Weil and al. (2005),

INSET 1

The EU-SILC survey

The reference population of EU-SILC is all private households and their current members residing in the territory of the MS at the time of data collection. Persons living in collective households and in institutions are generally excluded from the target population.

Travail sur la base cross-sectionnal 2007

EUSILC UDB 2007 ^{††} version 4 of August 2010
Ensemble des pays

Procédure FREQ

PB020	Fréquence	Pourcentage	Fréquence cumulée	Pctage. cumulé
AT	13391	3.04	13391	3.04
BE	12322	2.80	25713	5.84
CY	8470	1.92	34183	7.76
CZ	19384	4.40	53567	12.16
DE	26291	5.97	79858	18.13
DK	11610	2.64	91468	20.77
EE	11971	2.72	103439	23.49
ES	28656	6.51	132095	29.99
FI	21773	4.94	153868	34.94
FR	20357	4.62	174225	39.56
GR	12346	2.80	186571	42.36
HU	18490	4.20	205061	46.56
IE	10892	2.47	215953	49.04
IS	6567	1.49	222520	50.53
IT	44629	10.13	267149	60.66
LT	10913	2.48	278062	63.14
LU	7913	1.80	285975	64.94
LV	9270	2.10	295245	67.04
NL	19623	4.46	314868	71.50
NO	11706	2.66	326574	74.15
PL	34888	7.92	361462	82.08
PT	9947	2.26	371409	84.33
SE	14204	3.23	385613	87.56
SI	24730	5.62	410343	93.18
SK	12573	2.85	422916	96.03
UK	17484	3.97	440400	100.00

Inset 2: The International Standard Classification of Education (ISCED)

The International Standard Classification of Education (ISCED) is the basis for international education statistics, describing different levels of education, as well as fields of education and training (30). The current version, ISCED 97 distinguishes seven levels of education:

- _ **ISCED level 0:** pre-primary education – defined as the initial stage of organised instruction; it is school- or centre-based and is designed for children aged at least 3 years;
- _ **ISCED level 1:** primary education – begins between 5 and 7 years of age, is compulsory in all countries and generally lasts from four to six years;
- _ **ISCED level 2:** lower secondary education – continues the basic programmes of the primary level, although teaching is typically more subject-focused; usually, the end of this level coincides with the end of compulsory education;
- _ **ISCED level 3:** upper secondary education – generally begins at the end of compulsory education; the entrance age is typically 15 or 16 years and entrance qualifications and other minimum entry requirements are usually needed; instruction is often more subject-oriented and typical duration varies from two to five years;
- _ **ISCED level 4:** post-secondary non-tertiary education – straddles the boundary between upper secondary and tertiary education; typical examples are programmes designed to prepare pupils for studies at level 5 or programmes designed to prepare pupils for direct labour market entry;
- _ **ISCED level 5:** tertiary education (first stage) – entry normally requires the successful completion of level 3 or 4; includes tertiary programmes with academic orientation which are largely theoretically based and occupation orientation which are typically shorter and geared for entry into the labour market;
- _ **ISCED level 6:** tertiary education (second stage) – leads to an advanced research qualification (Ph.D. or doctorate).

Source: Europe in Figures, Eurostat yearbook 2008

Inset 3

ET2010 for the Lisbon Strategy	ET2020 for Europe2020
<ol style="list-style-type: none"> 1. To reduce the percentage of early school leavers to no more than 10%. 2. To ensure that at least 85% of young (20-24 year old) people complete upper secondary education. 3. To cut the percentage of low-achieving pupils in reading by at least 20%. 4. To increase the number of university graduates in mathematics, science and technology (MST) by at least 15%, and to decrease the gender imbalance in these subjects. 5. To have 12.5% of adults (25-64) participate in lifelong learning. 	<ol style="list-style-type: none"> 1. The share of early leavers from education and training should be less than 10%. 2. The share of 30-34 year olds with tertiary educational attainment should be at least 40%. 3. At least 95% of children between 4 years old and the age for starting compulsory primary education should participate in early childhood education. 4. The share of low-achieving 15-year olds in reading, mathematics and science should be less than 15%. 5. An average of at least 15 % of adults (25-64) should participate in lifelong learning.

Data source: European Commission (2009b).