

Integrated Project _ n° CIT4-CT-2006-028549

Resources, rights and capabilities: in search of social foundations for Europe

FLEXIBILITY, LIFE COURSE, AND EDUCATIONAL AND TRAINING SYSTEMS

**How the institutional framework related to
educational and training system contribute to secure
freely chosen life courses for young adults in
France, Germany, Italy and Spain**

*O. Joseph and N. Moncel, Team n°4, Céreq
P. Bartelheimer and R. Büttner, Team n°8, SOFI
E. Abbatecola and S. Poli, Team n°12, DiSA
M. López and J. M. Verd, Team n° 15, QUIT*

Submission date: December 2008

WP3 INDIVIDUAL WORKING LIVES: COLLECTIVE RESOURCES AND EMPLOYMENT QUALITY

The objective is to analyse, in a longitudinal perspective, critical points in individual working lives and to shed light on mechanisms and process connecting individual and collective resources to individual and collective capabilities on three transversal domains, gender equality, professional development and work restructuring. WP3 will combine statistical and econometric approaches



Content

1. Synthesis: QUIT, Partner 15, J. M. Verd	3
2. French Report: Céreq, Partner 4, O. Joseph and N. Moncel	12
2.1. Task 1: Education, Labour Market and Family. Main Features of the Institutional Context for Young People Trajectories in France	12
2.2. Task 2: Impact of Labour Market Flexibility on Young People's professional development in France	24
3. German Report: SOFI, Partner 8, P. Bartelheimer and R. Büttner	40
3.1. Task 1: Education, Labour Market and Family. Main Features of the Institutional Context for Young People Trajectories in Germany	40
3.2. Task 2: Impact of Labour Market Flexibility on Young People's professional development in Germany	50
4. Italian Report: DiSA, Partner 12, E. Abbateccola and S. Poli	57
4.1. Task 1: Education, Labour Market and Family. Main Features of the Institutional Context for Young People Trajectories in Italy	57
4.2. Task 2: Impact of Labour Market Flexibility on Young People's professional development in Italy	62
5. Spanish Report: QUIT, Partner 15, M. López	67
5.1. Task 1: Education, Labour Market and Family. Main Features of the Institutional Context for Young People Trajectories in Spain	67
5.2. Task 2: Impact of Labour Market Flexibility on Young People's professional development in Spain	75

1. Synthesis: QUIT, Partner 15, J. M. Verd

How the institutional framework related to educational and training system contribute (or not) to secure freely chosen life courses for young adults in France, Germany, Italy and Spain?

Having divided the institutional framework in cluster 1 in three main systems (Educational and training system, Labour market and Family) it seems quite clear from all the national reports that labour market flexibility (external numerical flexibility, looked at from the companies side) and more concretely precariousness is the main factor affecting life trajectories for young adults. Each country has particular characteristics that will be addressed immediately, although, however the four countries we are analysing share a difficult labour situation among youngsters.

Labour Market

Possibly the countries with a worst situation on this domain are Italy and Spain. Actually, the situation of young people in labour market is very similar. In both countries the entry in the labour market is characterised by unemployment and its alternative is only temporary or atypical employment. The main difference is possibly the contractual situation. In Italy the Biagi Law introduced new atypical jobs (job on call, job sharing, staff leasing, project work) and modified some aspects of the previous legislation, regarding in particular intermediation demand-supply, part time job, occasional jobs, having a strong impact on professional development, in particular on young adult working trajectories. Accepting an atypical job, nevertheless, means to accept a job that doesn't guarantee a secure wage, because it presents at least three points of weaknesses: amount (there are no laws defining minimum wages for flexible jobs), regularity (contracts could be short), foreseeable (there are no laws defining wage timing for flexible jobs). In Spain, what characterizes the labour market for young people is the presence of temporary contracts, which suppose above the 30% of total employment, the highest rate in the European Union. The extension of temporary employment supposes an extension of insecurity as well as they are related to less qualified and powerful segment of the labour force. If we analyse low-wages, the contract status is the main explicative dimension, specifically the hour-prize of temporary contracts, both for men and women, in spite of part-time contract. What is also common to both countries is the absence

of means-tested employment benefits. In Italy and Spain only exist unemployment insurance benefits, For this reason, Italian and Spanish young people can't receive benefits, because they don't have been entitled to compensation, most of them looking for the first job or not having enough time of employment.

The situation in France is not much better, although the role of protection realised by the State is higher. For over twenty years, the rate of youth unemployment has been twice as high as for adults. In January 2005 the unemployment rate was 22% for the working age population under 25 and 10% for the whole of the working age population. However, youth unemployment has its specific features that distinguish it from adult unemployment. Youth unemployment is generally rotation unemployment, there are high turnover rates in the youth labour market and although youth have higher rates of unemployment they are more likely to find a job. The probability of youth leaving unemployment and then becoming employed are higher than for adults. However, this cyclical sensitivity of youth employment is also related to the nature of the jobs now offered to youth, especially temporary contracts, unskilled jobs and posts in sectors characterised by high levels of staff turnover. Turning to the analysis of a specific cohort of school leavers (Generation 1998), some features about the way they progressively enter the labour market provide a more accurate picture of how flexibilisation impact the youth transition. As only one-third of young people enter their first job with a permanent contract, employment on fixed term contract is becoming the norm for new entrants on the labour market –and it remains at a high level three years after entering the labour market: one quarter for the working cohort as a whole, more than half of employment for young people with no qualification and one third for school leavers with secondary qualifications. Seven years after leaving school, permanent employment is the dominant status, it seems then that experience on the labour market pays off in term of access to internal labour markets with stable jobs and decrease in transition from employment to unemployment.

In Germany, also the entrance of young people to the labour market has worsened dramatically. It can be said that career entry is no transition any more, but has become a phase of its own. However, in this country the unemployment assistance exists for everybody, having been or not previously working. Nevertheless, the Hartz-reforms have established a clear segmentation between those able having the ability to enter the stable segments of the labour market and those unable to do so. Only a minority of 0,9 million receiving the basic

unemployment benefit are long-term unemployed in the statistical sense. A large part of the work force in unemployment assistance moves in and out of welfare: In 2008, roughly half of the “new” cases had an earlier spell of this benefit within the last year, and roughly a quarter of “outflow” cases will begin another spell of the benefit within three months. 1.3 million of these claimants hold jobs that do not pay enough to end benefit entitlements. In fact, the new system of unemployment assistance has been one of the most important factors for the growth of low paid and non-standard employment as basic unemployment benefits in fact function as wage supplements for precarious jobs. The above-mentioned reforms have also facilitated alternatives and exceptions. Most importantly for young adults, temporary employment is not restricted any more, under the precondition of equal pay and equal treatment with regular employees. As mentioned above, the federal employment agency itself falls back upon temporary work, organized by the newly created ‘Personalserviceagenturen’, which might surprise, given that temporary work had once been forbidden in Germany. Also, the restrictions on dismissal now only apply to firms with more than ten employees (before: more than five).

Educative and training system

In terms of influence of the educative and training system on young adult trajectories, the differences among countries seem to be bigger. However, the Italian report does not offer explicit information on this topic, as the information provided addresses only the regulatory frame, but not how youngsters are influenced by it.

In Spain, the compulsory educational system is considered little efficient in comparative international terms. The early educational abandonment is high and the student performance on reading and mathematical literacy scales is under most OCDE countries. In number of Science and Technology graduates, Spain is at the end of EU attainment. In the percentage of population between 25 and 64 years of age that follow permanent education it is also quite behind. It is also in a precarious position in Educational Life Expectancy below university level, even if university levels are high. In contrast, the number of graduated women in Spain is remarkable. If we are analysing how institutional framework contribute or not the capacity of action, the educational and training could be viewed as an institution for assuring in some views equality of opportunities. Under this point of view, a first moment of social selection could be analysed when the young is 16 years old, and he or she must decide the continuation of the academic career with university as an objective, the incorporation to the labour market, or to the Vocational Training; in this sense the fact is that a second social selection is

produced in Vocational training between medium-grade and superior-grade training, the second one with more status related and with the possibility of direct access to University. Besides, a very high proportion of young population does not find a job. Such is the reality that motivates some of them to continue studying while they work part time, while others take the option for precarious and badly paid jobs convinced that go further studying does not solve this first important obstacle in their biography.

In France, the trend of increasing education appears to have stopped during the 90s: the increase in pupils and student population has declined firstly, because of a demographic decline in the school age population, however qualitative shifts are operating as well. Nowadays, almost all the school age generation complete secondary school, the average age of leaving education is 21, but the proportion of pupils going on to take the baccalaureate has remained stable since 1995. Access by a school age generation to the level of baccalaureate or equivalent doubled between 1980 and 1994; in recent years it remains at around 70%. At the opposite side of the spectrum, the category of school leavers with no qualification declined from 30% in 1990 to 17% of the school leavers cohort in 2004. Thus, despite considerable progress in recent decades, the French education system has not eliminated the hard core of school failures, which often occur as early as primary school. A plan to boost priority education and further reduce the school dropout rate was presented on February 2006 with measures targeted to the most disadvantaged pupils and establishments, including professional discovery programmes and specific schemes to assist pupils who are at risk not mastering basic skills. Newly introduced and highly debated, the definition of a “common knowledge base” presenting a list of specific and transversal skills for lower secondary education was adopted to enable the education system and pupils to set targets and be assessed. In terms of transition from school to work, the diagnostic is that the situation of young people on the labour market has worsened since the beginning of 2000s: the annual mobility out of non-permanent employment into permanent employment has slowed down, and inequalities amongst education levels in terms of access to employment have developed.

In Germany, The socio-economical standing of the family has been shown to have a decisive impact on performance and perception of children at elementary school, conditioning their allocation to a type of secondary school, which is influenced by the child’s performance, the teacher’s estimation and the parents’ ambition. The mobility between secondary school types

being low, the allocation on school types directly determines the type of the final school leaving certificate, which is again the entry ticket to the labour market or subsequent training stages. As only one type of certificate, the Abitur, opens the doors of university, the choice of (probable) life trajectories is already considerably narrowed for many pupils at the age of 10, not to mention the eight percent of school drop-outs produced by the German educational system in every age-group. After general education, the choice of professional education is not only determined by the degree obtained, but also by information about possible openings. Pupils with lower degrees face the additional difficulty of having to decide at a younger age about how to start their professional itinerary, often having ‘unrealistic’ ideas about their possibilities, as they are not informed about offer and demand at the labour market as well as formal obstacles. The vocational counselling provided by schools and the Federal Employment Agency (‘Berufsorientierung’ and ‘Berufsberatung’) is currently not profound enough to close this gap, more efforts should be made. For pupils with expectable difficulties, the testing of a mentor scheme (‘Berufseinstiegsbegleitung’) has been decided, giving them accompaniment for the completion of school and the quest for an apprentice training position. Of course, even under circumstances of perfect information, the real number of available apprenticeship positions limits the possibilities for qualification, especially for young people with a lower educational record. Since 2005, a considerable number of new positions have been created, but they do not suffice by far, so that many get stuck in a so called ‘transition system’, consisting of measures of varying quality. While some yield educational results in an informal or even in a certified manner, or even establish contacts leading to proper training contracts for young adults, others seems rather like waiting loops at distance from the market of veritable professional training. From this perspective, the chance of professional training seems like a privilege, but focusing on practical training it does not provide sufficiently abstract education, so that the skill of keeping pace with the rapid change of tasks of modern working life is not sufficiently developed. All in all, the real freedom of choice in the labour market is very much contingent on performance in the educational system, especially performance at an early stage, creating path-dependence throughout the career. Elements outside the scope of individual influence, like stemming from a migrant or a poor family, contribute to these dynamics.

Family

The tendency towards retarding family formation seems to be common to Italy, Spain and Germany. Even if the family institutional framework for Spain and Italy is very similar, also

the German case shows many similarities with these two Southern countries. The instability of labour trajectories and the uncertainty of the socio-economic context seem to be the common factor producing similar situations. The French case seems to be a bit different, the report does not offer information on this fact, but the existing policies seem to have some effect on independent living. This French case is the first one it will be addressed, and then the other three cases.

In France, young adults entering the labour market combine two problems: access to employment and access to independent living. The French report does not explicitly address to what extent these problems are solved or relieved by public policies, however it shows that the policies existing in France are numerous, and have some (not clearly defined) positive effects. The main measures of support for independent living are “housing allowance for family” (APL: allocation logement à titre familial), “housing allowance for social reasons” (ALS: allocation logement à titre social), and “individualized allowance for housing”. These allowances exist since long time ago as public housing assistance. Both young adults studying and working use them. The current difficulties in the labour market that young adults have to face imply that this housing assistance is being increasingly resorted by them. Besides, the family and gender policies are important in France. There exist many measures facilitating the reconciliation between care activities and professional activity: a system of day care for children before they enter school in all municipalities in France, a financial assistance for child care expenses, and benefits for a return to work part time, allowance for tuition and even financial benefits during pregnancy. In relation to family policies, they have nowadays two main objectives: compensation for family expenses (e.g. tuition, child care, housing) and reduction of income inequality. The measures that are put in place are characterized by direct payments, which are sometimes dependent of household resources, but they are also directed through the tax system, that provides tax cuts.

In Italy the precariousness of young people in the labour market and the absence of State incentives for young people willing to become independent produce the retarding of family formation. Thus, it is difficult to become independent and autonomous from parents (in fact, it is very common for young people who have uncertain and underpay atypical jobs remaining in the house of parents for a long time, postponing the entrance to the “real” adult life) and to buy an own house (in Italy costs of housing are very high, especially in big cities). The capability to build a family is even weaker when both partners are precarious workers, also because banks don’t lent money to precarious workers, and so it becomes very difficult

realize maternity and paternity desires. Besides, flexibility has a strong impact on quality of personal life in terms of work/care conciliation and rights related to maternity and paternity. Regarding the first aspect, working-mothers have always been forced to be flexible, both in terms of time management between family and work duties, and identity, contemporary being a mother, a wife and a worker. But, in front of a great flexibility required from women by the labour market, Welfare State shows the tendency to delegate care to family instead of providing services, whose times are still rigid. Because most of the new contracts don't allow any long-term planning, it is very difficult for a working mother delegate family care. Concerning working-mothers rights (formally strong in Italy), nowadays maternity protection seems to be a privilege of a few, and when it is provided for, it is weak or not easy to obtain. The average length of atypical contracts is too short, and therefore a woman who gets pregnant is very likely not to be reconfirmed.

The situation of precariousness of young people in Spain has similar effects to those described for Italy. The situation could be considered as an “implicit intergenerational pact”, in the sense that young people accept a situation of temporality and low wages because of the support of the family (specially the parents) as source of monetary and non-monetary resources. In spite of the declining differences between young and adult workers in the labour market (due to a generalised flexibility for all ages), this expression shows the role of the family as an institution that both reinforces and reduces youngsters' capacities. This role of family is reinforced because families with enough monetary resources can permit a young the delaying of the insertion in labour market and being full-time in training and formation in order to accede to a desired job, better employment conditions... But families also reduce capacities because of the nature of the familiar model as far as produces big pressures for care work, especially among women. If we want to analyse the capacity of action for young adult, it has to be considered that family legislation in Spain is based in “marriage institution” (in spite of now civil unions tends to have the same rights), the economic subsidies are means-tested and selective, based in economic and familiar situation (numerous and monoparental families). Finally social services are also subsidiaries and insufficient and based in a family and women caring model, in spite of the Law on Dependency and Autonomy (2006); this Law develops allowances and services, especially monetary transfers to contract private aid where its amount depends on economic situation and degrees of dependency. Actually the development of the law it is problematic because Autonomous Communities are the responsible authorities of its development and Central Government of its financing.

In Germany, the aim of secure integration in professional life being reached later and later (if at all), due to prolonged educational pathways and instability during a whole lengthy phase of labour market integration has produced a retard on family foundation by young Germans. Two thirds of the 17 to 25 years old live with their parents, and the tendency is to the rise. Young men tend to stay longer than young women as they tend to start a family later. The impact of the socio-economical context on family formation can very well be seen at the example of young East Germans: when at the beginning of the 90s, approximately one out of three 17 to 25 years old lived with his or her own family, it was only half this proportion in 2004 (ibid.). With one out of six, young Germans of the East have reached the value of their West German counterparts. Economic uncertainty as well as change in social politics compared to GDR is recognized as the reason for this development. Starting a family has traditionally taken place after the establishment of the prospective breadwinner in the labour market. This family concept has remained, though in a modernized shape, the dominating family concept, and institutions have been promoting it still in recent times by tax benefits for married couples and a lack of care infrastructure. Consequently, there seems to be a window of opportunity for the state to positively influence family formation and reproduction by supportive measures. In the context of a critical demographical development, politics have deployed measures to increase incentives and decrease disincentives to child bearing: child allowance has risen to 157 Euros, paid until the dependent child has reached the age of 25 and a new parental leave scheme has been installed. Following the Swedish example, an income replacement of 67 percent of the renounced wage is paid during up to 14 months. The last two months are conditional on both parents taking at least two months of parental leave each. Since the introduction of this new scheme in January 2007, the proportion of fathers taking parental leave has increased from 3 percent to 18.5 percent in the first quarter of 2008. Having children before the completion of education is rather unusual in Germany, certainly due to the problems of reconciling parenthood with studies. Academics are faced with a rush hour of life, a phase where family foundation, parenthood and professional establishment must be decided upon within just a few years.

References:

Altieri G., Carrieri M., *Il popolo del 10%: il boom del lavoro atipico*, Donzelli, Roma, 2000

Atkinson, J. (1984) *Flexibility, Uncertainty and Manpower Management*, IMS Report No.89, Institute of Manpower Studies, Brighton.

Atkinson, J. and Meager, N.(1986) *Changing Working Patterns: How companies achieve flexibility to meet new needs*, Institute of Manpower Studies, National Economic Development Office, London.

European Commission (2005), *Joint Employment Report 2005/2006*, Brussels.

Gautié J. (2006), « Flexibilité et/ou sécurité : La France en quête d'un modèle », in « Le modèle social français », *Cahiers français*, n°330, Janvier-Février

Gautié J. (2006), «Transitions et trajectoires sur le marché du travail », Quatre pages, n°59, Septembre, Centre d'études sur l'emploi

Klammer, U. (2004). "Flexicurity in a life-course perspective." *Transfer: European review of labour and research* Vol 10, S. 282-299, Brussels, 2004

Klammer, U. u. K. T. (2001). "Flexicurity: Soziale Sicherung und Flexibilisierung der Arbeits- und Lebensverhältnisse", Düsseldorf, 2001

Kronauer, M., Linne, G. (2005): Flexicurity: Leitbild, Rhetorik oder halbherziger Kompromiss? In: Dies. (Hrsg.): Flexicurity. Die Suche nach Sicherheit in der Flexibilität. Berlin

Lefresne (2006), « Le contrat de travail en question », in « Batailles pour l'emploi », Regards sur l'actualité, n° 324, October.

Muffels, R./Chung, H./Fouarge, D./Klammer, U./Lujiks, R./Manzoni, A./Thiel, A./Wilthagen, T. 2008, Flexibility and security over the life course, Dublin / Luxembourg.

Schmidt R., Corporate Governance in Germany: An Economic Perspective", *Working Paper of the Center for Financial Studies*, n°36, August 2003.

Standing, G. (1999), *Global labour flexibility: Seeking distributive justice*, London, Macmillan Press.
Statistisches Bundesamt: „Datenreport 2006“, Bonn, 2006

Supiot A. (dir.), 1999, *Au-delà de l'emploi*, Rapport à la Commission Européenne, Paris : Flammarion.

Wilthagen, T. and R. Rogowski (2002) "Legal Regulation of Transitional Labour Markets". In: G. Schmid & B. Gazier (eds.) *The Dynamics of Full Employment: Social Integration through Transitional Labour Markets*. Cheltenham: Edward Elgar, 233-273.

Wilthagen, T., Tros, F. and van Lieshout, H., Towards (2003), 'flexicurity'? Balancing flexibility and security in EU Member States, Paper presented at the 13th World Congress of the International Industrial Relations Association (IIRA), Berlin, September.

2. French Report: Céreq, Partner 4, O. Joseph and N. Moncel

Del 13 – Vertical Grid for France (Task 1)

Nathalie Moncel, August 2008 (points 1 and 2)

Olivier Joseph, November 2008 (point 3)

2.1. Task 1: Education, Labour Market and Family. Main Features of the Institutional Context for Young People Trajectories in France

Education and Training

From the 1960s until the mid-1990s, the French educational system experienced major growth as a result of the extension of the length of the schooling period, a massive influx into secondary education and then into higher education. Nowadays, nearly all the individuals of a school age group reach the first stage in secondary education, twenty years before it was the case for two young people out of three. In comparison with other European countries, the French education system displays several specific features: the principle of the “single college” for lower secondary school without differentiated tracks since 1975; a single teaching body managed at the national level for lower and upper secondary school (college and lycées); an identical syllabus and very similar teaching methods for vocational and general training paths; the norm of full time education.

General structure of secondary education in France

- Lower Secondary School :

The collège admits all pupils having finished primary schools and at 12 years old at the latest. Schooling lasts four years and corresponds to the classes of 6e, 5e, 4e and 3e. The lower secondary school education programmes are standard throughout France; specific sections in 4e and 3e welcome 15% of disadvantaged young people, the remaining part going through general 4e and 3e class.

The vocational guidance cycle in the class of 3e (pupils 15 years and more) is organised through a consultation between pupils’ family, school administration and the teaching staff; the result in terms of chosen orientation is decisive both for the upper school career and professional future.

- Upper Secondary School :

Two broad paths are open depending on the intended qualification resulting from guidance:

- **General and technological lycées** prepare pupils in three years (classes of “seconde”, “première” and “terminale”) to sit a general baccalaureate, a technological baccalaureate or a “brevet de technicien” (vocational training certificate) that gives access to higher education studies.
- **Secondary vocational training (vocational lycée)** combines general education with a high level of specialised technical knowledge. Secondary vocational qualifications are:
 - The “Certificat d'Aptitude Professionnelle” (**CAP or vocational aptitude certificate**) and the “Brevet d'Etudes Professionnelles” (**BEP or diploma of vocational studies**) are both taken in two years .
 - The “Baccalauréat Professionnel” (**BP or a vocational baccalaureate**) for pupils having passed BEP and wishing to pursue education at school, is taken in two years and gives access to higher education studies.

Vocational diplomas can be prepared for in academic programmes organised in Lycées and through apprenticeship programmes organised into CFAs (Centres de Formation des Apprentis – Apprentice Training Centres) and local training centres under the pedagogical control of the education system. Schematically, apprenticeship programmes are oriented towards arts and crafts while academic vocational programmes have a more industrial orientation.

Pupils and Trainees in Education in 2005-2006	15 020 000
Primary Schools	6 626 000
Collèges	3 250 000
General and Technical Lycées	1 745 000
Vocational Lycées	724 000
Trainees in Apprenticeship	400 000
Higher Education	2 275 000

Source : Ministry of Education (<http://www.education.gouv.fr>)

The expected number of years schooling for a 5 year-old child in 2000 was 16,5 years full-time and 0 year part-time in France; 14,6 years fulltime and 4,3 years part-time in the UK (OECD, 2000). Although the share of pupils occupying jobs while studying is growing and concerns nowadays more than 10% of young people into secondary education, the combination of training and employment out of apprenticeship programmes is concentrated on higher education students (Céreq, 2005).

After decades of continuing progress therefore, the trend of increasing education appears to have stopped: the increase in pupils and student population has declined firstly, because of a demographic decline in the school age population, however qualitative shifts are operating as well. Nowadays, almost all the school age generation complete secondary school, the average age of leaving education is 21, but the proportion of pupils going on to take the *baccalaureate* has remained stable since 1995. Access by a school age generation to the level

of *baccalaureate* or equivalent doubled between 1980 and 1994; in recent years it remains at around 70%.

However, the structure of qualifications for school leavers cohorts displays some significant changes since the middle of the last decade. Since 1994 onwards, nearly one quarter of pupils leaves school with *baccalaureate* qualification and one fifth of pupils leaves school with the BEP-CAP qualification (second stage vocational qualifications). The share of higher education qualifications increased from 30% in 1990 to 36% in 1994, it remained stable till 2000 and then improved up to 42% of a school generation in 2004. Actually, despite the rise in access to the *baccalaureate* level which is the compulsory credential to enter tertiary education, a growing proportion of pupils passing the vocational *baccalaureate* do not intend to or find it difficult to pursue higher education. The drop out rate from tertiary education is quite high : 25% of students leaving higher education in 2001 do not succeed in passing a higher degree¹.

At the opposite side of the spectrum, the category of school leavers with no qualification declined from 30% in 1990 to 17% of the school leavers cohort in 2004. This category includes two distinctive groups : 8,5% are early school leavers (dropouts prior to completing secondary school) and 8,5% are pupils who completed secondary education without obtaining a qualification. The first group concerns young people who are said not to have the minimum training level defined by the 1989 guideline Act, it represents a stable proportion of 8 to 9% of school leavers over the last decade. Thus, despite considerable progress in recent decades, the French education system has not eliminated the hard core of school failures which often occur as early as primary school.

A plan to boost priority education and further reduce the school dropout rate was presented on February 2006 with measures targeted to the most disadvantaged pupils and establishments, including professional discovery programmes and specific schemes to assist pupils who are at risk not mastering basic skills. Newly introduced and highly debated, the definition of a “common knowledge base” presenting a list of specific and transversal skills for lower secondary education was adopted to enable the education system and pupils to set targets and be assessed.

Labour Market

General Trends

The French employment model is sometimes presented as a division of employment amongst generations following a pattern of “one single generation works at a time” (Elbaum and Marchand, 1994).

For over twenty years, the rate of youth unemployment has been twice as high as for adults. In January 2005 the unemployment rate was 22% for the working age population under 25 and 10% for the whole of the working age population (INSEE, 2005). However, youth unemployment has its specific features that distinguish it from adult unemployment. Youth unemployment is generally rotation unemployment, there are high turnover rates in the youth labour market and although youth have higher rates of unemployment they are more likely to find a job. The probability of youth leaving unemployment and then becoming employed are

¹ In 2001, one out of ten school leavers is out of higher education without a higher qualification (Céreq, 2005).

higher than for adults. However, this cyclical sensitivity of youth employment is also related to the nature of the jobs now offered to youth, especially temporary contracts, unskilled jobs and posts in sectors characterised by high levels of staff turnover.

In comparison with the active population as a whole, youth employment has been traditionally concentrated in activities with high turn-over and low skilled jobs. Typically, young people find their first job in retail activities, in a small or medium size enterprise, and as a service employee or manual worker. The situation is very different for those graduating from higher education where three out of four are recruited in business services as executives or in an intermediate profession.

The main characteristic of youth employment and the most important change in school-to-work transition is the high proportion of precarious jobs: three-quarters of young people educated with a *baccalaureate* level or a lower level enter their first job with a fixed term or temporary contract, this is also the case for more than half of young people with university degrees, whereas around 10% of total employment is covered by this type of employment contract. Employment on fixed term contract is the norm for new entrants on the labour market and it remains at a high level three years after entering the labour market: more than half of young people with no qualification in employment at this time are on precarious job, the proportion is as high as one third for school leavers with secondary qualifications, and one quarter for the working cohort as a whole. Seven years after leaving school, the access to stable jobs is dominant, even for low qualified young people as less than 20% out of them are employed on temporary jobs.

Being one of the flows contributing to the renewal of labour force on the labour market, young people specifically face the increase in flexible forms of employment. Because young people are over-represented within the population of new comers into firms, the way they get access to job reflect the evolution towards more flexible employment practices. Indeed, the progressive diffusion of flexible employment appear through the fact that, over the last two decades, each new generation entering the labour market faces a higher rate of employment under fixed-term contracts in the (Fondeur, Minni, 2006). In terms of transition from school to work, the diagnostic is that the situation of young people on the labour market has worsened since the beginning of 2000s: the annual mobility out of non-permanent employment into permanent employment has slowed down, and inequalities amongst education levels in terms of access to employment have developed (Givord, 2006).

Turning to the analysis of a specific cohort of school leavers (Generation 1998²), some features about the way they progressively enter the labour market provide a more accurate picture of how flexibilisation impact the youth transition. As only one-third of young people enter their first job with a permanent contract, employment on fixed term contract is becoming the norm for new entrants on the labour market — and it remains at a high level three years after entering the labour market: one quarter for the working cohort as a whole, more than half of employment for young people with no qualification and one third for school

² *Génération 98* is a survey that was carried out by Céreq amongst a representative sample of 55,000 young people who left the educational system in 1998 and who were questioned in 2001, 2003 and 2005. Main results out of this survey are available in Céreq (2002, 2006), some of them are downloadable on the website : <http://www.cereq.fr>.

leavers with secondary qualifications (Marchal and al., 2004). Seven years after leaving school, permanent employment is the dominant status, it seems then that experience on the labour market pays off in term of access to internal labour markets with stable jobs and decrease in transition from employment to unemployment.

School-to-work transition for Generation 98

Situation for Generation 98 on the labour market	1 st year	3 rd year	5 th year	7 th year
Proportion in Employment	74	83	85	86
- <i>permanent</i>	50	69	80	85
- <i>non permanent</i>	50	31	20	15
Annual Transition Rate from employment to unemployment (%)	18	13	11	9
Proportion in employment during 12 months continuously (for those in employment)	44	71	76	79
Proportion in employment but looking for another job	<i>na</i>	25	19	17

Source : Generation 98 Survey in Couppié, Gasquet, Lopez (2006)

However, when looking at individuals' trajectories on the labour market, it appears that school leavers employment patterns are marked by an increasing and long lasting differentiation on labour market. Amongst those young people out of school in 1998, nearly one out of five will have a trajectory with limited access to permanent employment during the first seven years they spent on the labour market. Four main patterns of trajectory are characterised according to the successive situations on the labour market and employment status during the first seven years of working life (Cereq, 2007)³:

- **Direct access to open-ended contract** (53% of the cohort): this group of school leavers has got access to stable employment either directly after leaving school or after one or two

³ Patterns correspond to the classes obtained out of hierarchical classifications that use calculation on monthly situations during the first seven years after leaving school. Individuals are grouped according to minimum distance between their situation for each month.

years of having been employed on fixed-term contract. Less than half of them hasn't changed employers during the first seven years.

- **Late access to open-ended employment contract** (15% of the cohort): trajectories are marked by the first three years spent in temporary contracts, some breaks from employment and an average 6 months period spent in unemployment, before ending on a stable employment.
- **Precarious employment** (19 % of the cohort): a pattern characterised by persistent employment under open-end contract with high turn-over or a break from stable employment followed by long-term unemployment and rotation between precarious jobs.
- **Long term non-employment** (13% of the cohort) : this category includes two distinctive patterns of trajectory: a pattern with long-term inactivity spells (including very few returns to training) and late access to a first job for, and a pattern with recurrent spells of unemployment and short duration jobs on precarious contract.

Distribution across the four patterns of trajectory is correlated with educational levels and with fields of education. Gender, social origin and geographical location also have an influence on the path that young people follow after leaving basic education. Transition patterns are also highly diversified under the influence of others factors that play a determinant role in the access to stable employment : the type of the first employment contract, the size or activity of the company where young people get their first job (Lopez, 2004; Mansuy and Minni, 2004).

Labour Market Policies and Integration Programme

Youth transition from school-to-work has become a long and complex process, at least for the half part of a generation that does not access directly stable employment. Transitions result from the interplay between different actors: young people, their families, teachers, companies, local authorities and professional organisations. Successive governments have been major players through the development of labour market policies targeted towards young people. A short history of these policies reveals a constant swing between different logics of public intervention: “social treatment” as a remedy to youth unemployment; the development of training and skills and the implementation of specific employment status. Most frequently, labour market policies mix these different goals.

In the mid-1970s, when youth unemployment grew sharply, the very first programs were developed with the objective to improve matching between training and jobs. Between 1977 and 1981, three agreements concerning youth employment materialised; this period marked the beginning of large-scale public intervention strategies in the youth labour market. In the early-1980s, labour market policies were predominantly aimed at developing employment-cum-training contracts for young people. However, integration programmes were also developed at this time to act on guidance and various social dimensions of youth transition from school to work (housing, health, financial difficulties) through local structures that were established in addition to the public employment services (*Missions Locales*: local youth employment agencies ; *PAIO* : reception office for information and guidance).

The current government has experimented with several forms of subsidised employment and has renewed training-cum-employment contracts, but with no major changes to the logic of public intervention in the labour market, albeit a reinforced social control on youth unemployed people is currently implemented. Looking at labour market public policies over the last three decades, it appears that labour market programmes targeted to young people have been largely experimental as several schemes have been extended to the whole working population.

When presenting labour market programmes and considering the impact of policies on the youth transition from school-to-work, it is worth distinguishing between two forms of public intervention in the youth labour market: those schemes that are implemented through the employment contract; and those that do not involve creation of a specific employment contract and focus on guidance and advising actions.

Forms of employment introduced by labour market policies run specifically for young people, (the 16-25 age group), are typically employment contracts with specific rules in terms of wage determination, working time regulation and training provisions. They include labour cost reductions and/or subsidies for the employers (see description of the main subsidised employment contracts in annexe 2). Three main categories of employment schemes exist : employment contracts cum training (Contrat d'apprentissage, contrat de professionalisation); subsidised public jobs (Contrat d'accompagnement dans l'emploi) ; Subsidised private jobs (Contrat Jeunes en entreprise). They account for one quarter of young people employment in 2004, those schemes represented up to 40% of youth employment by the late 90s.

The “decentralisation” or “territorialisation” of labour market and training policies has broadened and diversified the participants in the school-to-work transition process. One of the major changes over the past twenty years is the appearance of new participants within policy programs to address youth issues including local structures, regional councils, local authorities and local employment services. Organised through local networks, these new participants develop programs that are targeted to young people with severe difficulties in the labour market (see box 3 below) and are managed by local social structures (*Missions Locales* : local youth employment agencies ; *PAIO* : reception office for information and guidance) and with subcontracting to private operators which provide young people with advice, training and work experience as trainees.

As young people under 25 in France are excluded from any social minimum income scheme (such as RMI : *revenu minimum d'insertion*), some of the services provided by these local structures are very similar to the ones included in broader social policy schemes, such as housing subsidies or health support. Moreover, eligibility for unemployment benefits is conditioned in France by an employment qualification period of 4 months minimum⁴ (i.e. being in employment for at least 4 months). Those young people who haven't been in employment long enough, or who have accumulated short term contracts, are thus compelled

⁴ In June 2004, 44% of unemployed young people were receiving unemployment benefit, this rate was up to 61% for the total unemployed population (Unemployment agency statistical data: <http://www.assedic.fr/unistatis/>).

to participate in integration schemes managed by local social structures. Integration networks are an important support for young people with low education level but they also deal with qualified young people when looking for their first job.

One of the first device developed in the framework of integration policies, called CFI-jeunes (*Youth Individual Training Credit*) was introduced in 1989 and proposed a right to individual path towards training including three steps : stage one as a starting phase, stage two as a pre-skilling phase and the third stage with access training session or employment cum training contract. In 1990, 270 000 young people under 26 entered this scheme managed by local youth employment agencies and PAIO. The assessment of the CFI programme displayed limited success in term of access to qualification and employment for disadvantaged youth who frequently didn't manage to reach stage 3. Various schemes were successively developed with the objective to improve individual guidance and to provide young people with enlarged support including housing, health, etc... (introduction in 1992 of the PAQUE programme-preparatory programme for qualification and employment, replaced in 1998 by the TRACE programme, replaced in 2004 by the CIVIS scheme – see box 3 for presentation of TRACE and CIVIS).

Box 3 : Two main programmes for Youth integration

The TRACE programme, 1998-2004

This scheme was targeted towards young people under 26 with low qualification level and difficulties on the labour market who signed a contract with a local agency to benefit from individual guidance and support for accessing training and employment during 18 months. Training and employment spells occurring during the scheme, mainly in subsidised private and public jobs, were supposed to boost employability level of trainees. 86 400 young people were engaged in a TRACE scheme in 2003, and when they enter the scheme half of them have a minimum education level, 20% of them are early-school leavers and 30% of them have a vocational secondary education level (BEP/CAP).

The CIVIS programme, 2004 onwards

Taking up TRACE succession, the *Contrat d'Insertion dans la Vie Sociale* (CIVIS – social integration contract) is nowadays the main framework for this assistance provided by the local youth employment agencies and the reception offices for information and guidance. This contract is concluded for a period of one year. From may 2005 to April 2006, the contract took in 200 000 young people, nearly half of whom had no qualifications or skills. The act of 21 April 2006 reformed and improved this measure. Eligibility for CIVIS was extended to young higher education graduates particularly removed from the labour market. A “pathway to working life” must be proposed to the young people within three months of concluding the contract. To stabilise the young person's integration into the world of work, the assistance can continue for a year after finding a job. The young people on CIVIS contracts are covered by the welfare system and, when they reach their majority, are entitled to a benefit during the periods when they receive no other income or allowance (€900 maximum per year and €300 maximum per month).

Family

Since the end of the second world war, the French society has implemented a policy of continuity on the theme of the family. For this, it used the legislation to achieve these ambitions. The family appears immediately as a matter of privacy: the establishment of a couple, the decision to have children are indeed personal choices. But it is also a public affair, because the conditions under which the family moves have multiple effects on society. That is why the French state has included in its concerns, and its scope of work, the family.

The main actors on these issues are the French government (especially the ministry of social affairs), the Associations of families and the national fund family allowances (a branch of the the French social security system).

With its current social system, France addresses (or reduces) the difficulties faced young adults in fulfilling their desires, whether on a professional level, on the family plan (both for setting couple, become parents, have residential autonomy).

Overall, the family policy now has two main objectives : compensation for family expenses (eg : tuition, child care, housing) and reducing income inequality.

Government measures put in place are characterized by direct payments, which are sometimes dependent of household resources, but also through the tax system that provides tax cuts.

Independent living

The main measures of support for independent living, ie can no longer reside at the parental home, are: housing allowance for family (APL : allocation logement à titre familial), housing allowance for social (ALS : allocation logement à titre social), and individualized allowance for housing. These allowances are mobilized for a very long time as a public housing assistance independent. They are also well used by young adults in studies that in work situation. The current difficulties in the labour market in which young adults face, suggests that these housing assistance are being increasingly mobilized by them.

Tenure of principal residences for young families

In %	1984	1988	1992	1996	2002
Owners	15.1	15.1	12.1	10.7	11.9
without borrowings outstanding	2.3	1.9	1.7	1.8	1.8
Acceding	12.8	13.2	10.4	8.8	10.0
Tenants of an apartment rented empty	70.8	70.7	73.0	73.5	73.5
Social sector tenants	25.1	28.7	26.2	22.8	21.5
Tenants of free market	45.7	42.0	46.8	50.7	52.0
Other status	14.1	14.2	15.0	15.8	14.6
Ensemble	100.0	100.0	100.0	100.0	100.0

Field : Metropolitan France - households where the reference person is aged under 30.

Source : INSEE. Housing Survey

Type of cohabitation by sex for people aged 15- 29

Type of cohabitation	15 - 19 ans	20 - 24 ans	25 - 29 ans	Total
Men	100.0	100.0	100.0	100.0
With parents	92.2	62.3	24.0	59.8
Single and outside the parental home	7.2	22.0	23.5	17.4
Couple but unmarried	0.6	14.5	36.3	17.0
Couple but married	0.0	1.2	16.2	5.8
Women	100.0	100.0	100.0	100.0
With parents	91.1	45.8	11.6	49.2
Single and outside the parental home	6.8	24.4	21.7	17.6
Couple but unmarried	1.9	24.2	39.1	21.9
En couple marié	0.2	5.6	27.6	11.3
Total	100.0	100.0	100.0	100.0
With parents	91.7	54.1	17.8	54.6
Single and outside the parental home	7.0	23.2	22.6	17.5

Couple but unmarried	1.2	19.3	37.7	19.4
Couple but married	0.1	3.4	21.9	8.5

Field : Metropolitan France. people aged 15-29 years.

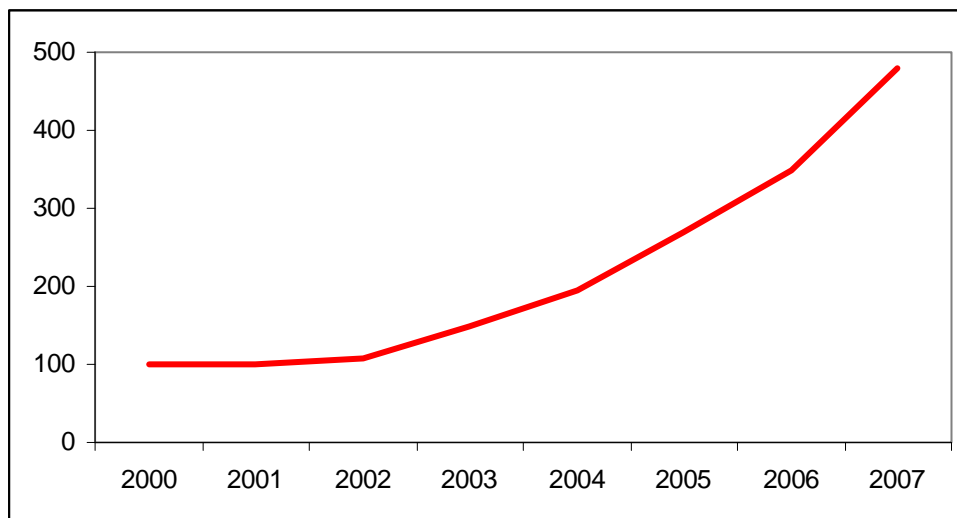
Source : INSEE. Employment Survey (from first to fourth quater 2006).

This table does not include students living in university and young workers in collective residence.

Family policies - partnership

Marriage is the dominant institution –but declines year by year- with the life of unmarried couple. But since 1999. in France there is a new form of cohabitation offering rights (social. fiscal). These rights are closer to those of marriage. This institution is a civil solidarity pact (PACS).

Number of PACS



Family policies - parenthood

The renewal of generations has been a major objective of family policy in France. Thus the birth rate in France is one of the highest in Europe (13 for 1000 residents). Similarly, to promote the participation of women in the labour market, many measures have been introduced for reconciling work life and family life. Obviously, we find that french women occupy about three times more than men part-time jobs, often by coercion but also by choice.

Thus, they often use this manual when they have young children. Indeed, additional wage can be seen when children under 3 years. In addition, a lot of measure exist to facilitate .

In fact, many measures exist to facilitate a professional activity : a system of day care for children before they enter school education in all communes of France, a financial assistance for child care expense, and benefits for a return to work part time, allowance for tuition and even financial benefits during pregnancy.

This is a short list of the main measures that people can obtain. Obviously, the overall amount of resources is limited, but some are added benefits to others.

- allowance for resumption of activity,
- family allowance,
- allowance for child care at home,
- parental education,
- allowance for young children.

Furthermore, men are not excluded from measures since the law allows them to get days off (11 days) after childbirth.

Professional life

To facilitate the integration of young adults, the french society established the minimum income, Revenu Minimum d'Insertion, in 1988. And it will be put in place the income of active solidarity (Revenu de Solidarité Active) in 2009. The objective of these measures is to provide financial resources for individuals. Then, they can not be "excluded" of society by their precarious employment status (lack of employment or employment at low wages). Often the beneficiaries of these financial flows have also used financial aid for housing. In France, young adults entering the labour market combine these two problems : access to employment and access to independent housing.

2.2. Task 2: Impact of Labour Market Flexibility on Young People's professional development in France

Nathalie Moncel, October 2008

This short paper presents the materials related to Task 2 of deliverable 13 for the thematic group 1. The purpose is to address the following issue : to what extent does flexibility impact on young people professional development in France ?

The issue of how to conciliate flexibilisation of the labour market and securisation of workers' trajectories is high on the French social agenda. It was one of the topics at the heart of the last year presidential elections and the example of the Danish "flexicurity" was unanimously referred to as a success story. Over the recent decade, numerous official reports have examined changes in the labour market and consequences on workers' employment patterns, in order to provide recommendation for policy-makers (CERC, 2005) . Social partners develop their own proposals, going from the "negotiated agreement" for employers board – MEDEF- to the implementation of "professional social security" for some trade unions.

The French labour market is frequently refers to in Europe as the model of rigidity in employment legislation and this lack of flexibility would apparently penalise both growth and employment. However this restricted view point on flexibility of the labour market overlooks the various forms of labour flexibility considered as the adaptability of labour to variation in productive outputs. France appears a specific case on at least two aspects of changes in labour market related to increasing flexibilisation: development of atypical forms of employment and re-organisation of working time.

The way these transformations have impacted on individuals' situation on the labour market is sizeable through various indicators related to job instability and job insecurity. The main issue concerns an increasing dualism in the distinction between stable and unstable workers. Looking at the way young people enter the labour market, it appears that the picture so far is complex and highly connected to social differentiations.

Trends in Flexibility in the French labour market

Flexibility has various definitions, the simplest one being a general definition of flexibility as a property to adjust to variation, and for production systems, flexibility relates to the capacity to adapt labour to productive aims.

In France, a specific investigation on firms' practices has revealed that the most frequently used methods for flexibility in response to variation in economic conditions are resorting to temporary work or fixed-term contracts more than to extra-hour work (Bunel, 2004). These different forms of flexibility appear to be more complementary than opposed and dependant

from the firms characteristics, the nature of output variability and the structure of employment in firms. Differences in the use of FTC versus temporary jobs relate to the type of industry and the nature of skills: service industries with high proportion of clerical workers and managers will use FTC more frequently than manufacturing sector with high rate of blue-collar labour. Where part-time work is highly represented, temporary jobs are less frequently used, flexibility in working hours for part-time workers serving as a tool for flexibility.

With respect to internal flexibility and more specifically the reorganisation of working time, a big boost had been given as part of introducing the 35-hour working week. Negotiations within companies often resulted in agreements that help to improve cyclical flexibility. In this way, the progressive decentralisation of collective bargaining from the professional to the firm level has also contributed to facilitate flexibilisation of the workforce. However, firms with agreement on working hours reorganisation have similar use of flexibility tools than other firms; the existence of collective agreements on working time reduction, including “annualisation of working duration”, does not lead to an increase in the use of extra-hours (Bunel, 2004).

In what concerns internal qualitative flexibility, the impact of new work practices on working conditions and well-being at work is quite ambiguous. Less than half of the firms declare developing multi-tasking and job rotation in order to cope with variability, these forms of internal flexibility are mainly used in manufacturing, retailing and services (Bunel, 2004). Part of the pressure exerted on workers for performance entails polyvalence and multi-competencies but also work in emergency and time constraints. (Bué, Coutrot, Hamon-Cholet, Vinck, 2007). Some studies show that work practices such as quality norms, job rotation and work time flexibility are positively associated with higher levels of mental strains and occupational risks (Askenazy, Caroli, 2003).

Another aspect which seems quite specific to the way the French labour market recently evolves is that self-employment has not developed over the recent years, it represented 10% of the labour in 1980 and 8% in 2000. More than half of individuals in self-employment are employers; others being “professionals”, and the level of “para-subordination” or “fake” self employment seems to be quite low. There is not in France an official definition of subordinated work, worker’s status is defined according to social rights associated with the employment contract. Thus, it exists a continuum of specific contracts between wage-earners and self employed, supported by innovating forms of productive organisations such as “cooperatives d’activité” or “sociétés de portage”.

Variety of status also concerns another segment of the labour force that has grown over the last decade and which is located between the status of wage earner and the status of social benefit recipient. Actually, in the logic of reforming social protection from welfare to work or “workfare”, many devices have been implemented since the beginning of the 90s (“activités réduites”, “dispositif d’intéressement” et “contrat d’insertion revenu minimum d’activité”) that enable social benefit recipient to cumulate income support with a wage earned on a low paid job.

Although these hybrid forms of social status contribute to the recent transformations of the French labour market functioning and the relationship between work and welfare, the major vehicle for flexibilisation of the French labour market has been the growth of atypical forms of employment as opposed to standard full life/full time employment relationship, i.e. fixed term contracts or temporary agencies jobs, both forms being characterised as atypical work contracts.

Development in Atypical Forms of Employment

Although the stock of permanent employment has not declined, the increase in fixed term and temporary jobs has been remarkably high in comparison with the total rise in employment volume, and more specifically in the private sector (Table 1). Nearly 1 million workers were employed under fixed term contracts in 2001 whereas they were less than 320 thousands twenty years before. Since 1982, the number of workers hired through temporary job agencies has more than doubled. Over the same period of time, the total growth in employment was only 9%. Defining as “atypical” forms in contrast with the “standard” form of the open ended contract, those forms of employment including apprenticeship and the specific jobs developed in the frame of labour market policies, have been growing over the past years when the unemployment rate was rising as well as when it was decreasing in the late 90s.

Table 1 : Evolution of the working population by status, 1982-2002

(in thousands)	1982	2002	1982/2002 (%)	Share in total employment (%)
Total Employment	22 214	24 262	+9	100
Self employed	3 675	2 584	-30	10,6
Employees :	18 540	21 678	+17	89,4
- Open ended contract in public sector	4 046	4 548	+12	21
- Open ended contract in private sector	13 192	14 310	+8	66
- Fixed term contract in public sector	507	565	+11	2,6
- Fixed term contract in private sector	319	910	+186	4,2
- Temporary Agencies jobs	132	530	+300	2,5
- Apprenticeship	222	323	+45	1,6
- Subsidised Employment	121	492	+306	2,1

From Givord (2005), source: French Labour Force Surveys, INSEE.

Being one of the major tools for firms to adapt labour force to variation in economic conditions, atypical forms of employment constitute the dominant flows on the labour market:

in 2002, fixed term contracts composed 70% of entry flows into firms, and conversely they represented two-third of the exit flows. According to economic trends, increasing recruitment is preferably used when needing to adjust upwards; stopping recruitments and shedding labour to adjust downwards.

A rising part of atypical employment resorts from labour market policies schemes that have been developed over the last 30 years in order to fight unemployment. The figure for subsidised employment rose by 300% between 82 and 2002, and it is worth noticing that the labour force survey based on individuals declarations underestimates the number of subsidised jobs : according to the Department of Labour, there were more than one million of subsidised jobs in 2002 and nearly 350 thousands of apprenticeship contracts. This type of employment is highly concentrated on the young workforce : subsidised employment accounted for more than one third of employment for people under 25 in 2002.

The share of atypical forms of employment differs across segments of the workforce. In 2002, atypical employment represents 11% of the total employment, it concerns more than 12% of female employment as against 9% of male employment, and 46% of employment for people aged between 15 and 24 years as against 5,7% of 40-49 years old employees. The dominant pattern is that temporary jobs are used by manufacturing industries to employ low-skilled male workers whereas services activities recruit female workers on fixed-term contracts (Cancé, Fréchou, 2003). Atypical employment is more frequent for unskilled manual jobs (30%) than for managerial occupations (5%), and for employment in services (12,5%) than in manufacturing (5,4%).

Flexibility through the Reorganisation of Working Time

Several laws implementing the reduction of work time duration have been released in France since 1996. The well-know “Lois Aubry” have imposed the legal duration of work to 35 hours per week since the 1st January 2000 for firms employing more than 20 employees, and since the 1st January 2002 for smaller firms. In order to make the most of this new external constraint, these reforms were frequently associated to strategic opportunities for firms in control of market position or development plans. Changes in working time enabled the emergence of new forms of flexibility related to work organisation : intensification, densification, rationalisation of work and tasks (Charpentier et al., 2005). Moreover agreements on annualisation and modulation of work time duration provided the support for managing a high adaptability of the volume of labour to the level of activity, while avoiding the use of extra hours or reduced time. In the case of working time modulation, employees must be informed at least one week before any change in their working time.

The introduction of working time flexibility also creates a new form of labour segmentation within the firm, besides the traditional segmentation between stable versus unstable jobs, with on the one side workers with stable working rhythms, and on the other side workers with changing working hours (Estrade, Ulrich, 2002). The proportion of French workers with flexible hours increased from less than 10% in 1995 to about 40% in 2002. Working time is said to be flexible when working hours are “atypical” hours in comparison with a “standard”

working day including about 8 hours of work equally distributed around a lunch break. Thus the category of atypical working hours gathers shifted work, extensive hours, irregular and short duration work. A clear segmentation of the employment system appears in relation to the flexibilisation of working time : shifted or irregular working hours are more frequent for manual or services workers whereas overtime work concerns managers and professionals (Lesnard, 2006).

Finally, another form of working time flexibility has developed through part-time work : the number of part-time jobs has grown from 2 millions in 1982 to more than 4 million in 2005; part-time represents 17% of dependant employment, 6% of male employment and 31% of female employment –these levels are closed to the average figures for EU25. Voluntary part-time work predominantly concerns women in stable semi- or high skilled jobs, whereas imposed part-time work is concentrated on low skill service jobs (Bué J., 2002). The share of people working part time and looking for a full time job has increased by more than 700% from 1983 to 2003 and accounts for 40% of part-time workers.

Searching for more flexibility in part-time work, specific agreements have defined rules to modulate working time within part-time work in order to adjust working time to changing condition of production (“contrat de travail intermittent”), either over a fixed annual schedule or from one week to another (“contrat à temps partiel modulé”).

Actually, the increase of jobs in service sector and retailing activities goes with the development of fragmented short term working time and creates a segment of low paid and low skill jobs where workers frequently get trapped. Hence the spread of atypical employment has gone hand in hand with a rise in low paid jobs, i.e. receiving less than two-third of the median wage. The share of low paid jobs was a bit less than 12% in 1982, it rose till 18% by the end of the 90s. As a consequence, part of the growing poverty over the last decade is due to a growing number of “working poor” families.

Flexibility and Youth Employment

The French employment model is sometimes presented as a division of employment amongst generations following a pattern of “one single generation works at a time”, meaning that young people face selective processes on the labour market.

For over twenty years, the rate of youth unemployment has been twice as high as for adults. In January 2005 the unemployment rate was 22% for the working age population under 25 and 10% for the whole of the working age population. However, youth unemployment has its specific features that distinguish it from adult unemployment. Youth unemployment is generally rotation unemployment, there are high turnover rates in the youth labour market and although youth have higher rates of unemployment they are more likely to find a job. The probability of youth leaving unemployment and then becoming employed are higher than for adults. However, this cyclical sensitivity of youth employment is also related to the nature of the jobs now offered to youth, especially temporary contracts, unskilled jobs and posts in sectors characterised by high levels of staff turnover.

In comparison with the active population as a whole, youth employment has been traditionally concentrated in activities with high turn-over and low skilled jobs. Typically, young people find their first job in retail activities, in a small or medium size enterprise, and as a service employee or manual worker. The situation is very different for those graduating from higher education where three out of four are recruited in business services as executives or in an intermediate profession.

Being one of the flows contributing to the renewal of labour force on the labour market, young people specifically face the increase in flexible forms of employment. Because young people are over-represented within the population of new comers into firms, the way they get access to job reflect the evolution towards more flexible employment practices. Indeed, the progressive diffusion of flexible employment appear through the fact that, over the last two decades, each new generation entering the labour market faces a higher rate of employment under fixed-term contracts in the (Fondeur, Minni, 2006). In terms of transition from school to work, the diagnostic is that the situation of young people on the labour market has worsened since the beginning of 2000s: the annual mobility out of non-permanent employment into permanent employment has slowed down, and inequalities amongst education levels in terms of access to employment have developed (Givord, 2006).

Turning to the analysis of a specific cohort of school leavers (Generation 1998⁵), some features about the way they progressively enter the labour market provide a more accurate picture of how flexibilisation impact the youth transition. As only one-third of young people enter their first job with a permanent contract, employment on fixed term contract is becoming the norm for new entrants on the labour market — and it remains at a high level three years after entering the labour market: one quarter for the working cohort as a whole, more than half of employment for young people with no qualification and one third for school leavers with secondary qualifications (Marchal and al., 2004). Seven years after leaving school, permanent employment is the dominant status, it seems then that experience on the labour market pays off in term of access to internal labour markets with stable jobs and decrease in transition from employment to unemployment (Table 4).

Table 4: School-to-work transition for Generation 98

Situation for Generation 98 on the labour market	1 st year	3 rd year	5 th year	7 th year
Proportion in Employment	74	83	85	86

⁵ *Génération 98* is a survey that was carried out by Céreq amongst a representative sample of 55,000 young people who left the educational system in 1998 and who were questioned in 2001, 2003 and 2005. Main results out of this survey are available in Céreq (2002, 2006), some of them are downloadable on the website : <http://www.cereq.fr>.

- <i>permanent</i>	50	69	80	85
- <i>non permanent</i>	50	31	20	15
Annual Transition Rate from employment to unemployment (%)	18	13	11	9
Proportion in employment during 12 months continuously (for those in employment)	44	71	76	79
Proportion in employment but looking for another job	na	25	19	17

Source : Generation 98 Survey in Couppié, Gasquet, Lopez (2006)

However, when looking at individuals' trajectories on the labour market, it appears that school leavers employment patterns are marked by an increasing and long lasting differentiation on labour market. Amongst those young people out of school in 1998, nearly one out of five will have a trajectory with limited access to permanent employment during the first seven years they spent on the labour market. Four main patterns of trajectory are characterised according to the successive situations on the labour market and employment status during the first seven years of working life (Cereq, 2007)⁶:

- **Direct access to open-ended contract** (53% of the cohort): this group of school leavers has got access to stable employment either directly after leaving school or after one or two years of having been employed on fixed-term contract. Less than half of them hasn't changed employers during the first seven years.
- **Late access to open-ended employment contract** (15% of the cohort): trajectories are marked by the first three years spent in temporary contracts, some breaks from employment and an average 6 months period spent in unemployment, before ending on a stable employment.
- **Precarious employment** (19 % of the cohort): a pattern characterised by persistent employment under open-end contract with high turn-over or a break from stable employment followed by long-term unemployment and rotation between precarious jobs.
- **Long term non-employment** (13% of the cohort) : this category includes two distinctive patterns of trajectory: a pattern with long-term inactivity spells (including very few returns to training) and late access to a first job for, and a pattern with recurrent spells of unemployment and short duration jobs on precarious contract.

Distribution across the four patterns of trajectory is correlated with educational levels and with fields of education. Gender, social origin and geographical location also have an influence on the path that young people follow after leaving basic education. Transition

⁶ Patterns correspond to the classes obtained out of hierarchical classifications that use calculation on monthly situations during the first seven years after leaving school. Individuals are grouped according to minimum distance between their situation for each month.

patterns are also highly diversified under the influence of others factors that play a determinant role in the access to stable employment : the type of the first employment contract, the size or activity of the company where young people get their first job (Lopez, 2004; Mansuy and Minni, 2004).

Elements to conclude

The cautious observation of mobility patterns and trajectories on the labour market shows that, despite an average high level of employment stability, flexibilisation has deeply impacted on employment patterns and working conditions. This new configuration of the employment relationship is significant of a profound transformation of society placing individuals in face of new risks : unemployment, social instability, economic insecurity. Thus in parallel, a more flexible employment relationship corresponds to transfer to the worker a part of the economic risk traditionally supported by the firm, either through variability in outputs or in demand (Petit, Sauze, 2006).

More precisely, following the regulationist approach of the wage labour nexus (Boyer, 2001), three forms of employment relations have emerged in response to three main factors: the new ICT productive paradigm, the internationalisation of production and the shift in the bargaining power to the benefit of employers. The first form of employment relation combines polyvalence in work and stability in employment for workers located in internal labour market, practicing specific skills essentials to the firm's efficiency. The second form of employment relationship relates to "professionals" who wish to benefit from a part of the added value their work contributes to create in collaboration with the firm. The third form, that Boyer calls "market flexibility employment" applies to employment relation that complements in a way the two previous one by adaptating the workforce to new routinised tasks requiring low-skilled manpower as well as changes in outputs supported by flexible forms of employment. These three forms of employment relations integrate flexibility but the second one appears as the more profitable for individuals' careers.

This representation is far from being fully acknowledged within studies dealing with transformation of the French labour market. As noticed by N. Whiteside (2000) in a France/UK comparison, the experience of full employment shaped apprehensions of flexibility in political spheres as well as for the working population; in France the standard employment contract – full time and open ended- retains its place as the ultimate objective within an expanding range of employment possibilities, and flexibility is perceived as a transitional stage through which one should pass before acquiring a "normal" employment contract. Through this point of view, flexibilisation of the French labour market appears as a necessity in response to changing economic conditions, and policy answers are supposed to ease a return to full employment. Taking into account the diversity in employment relations, the future for developing sustainable and decent employment labour market depends however on the evolution of the welfare state, the tax and financial system in order to organise new forms of security for workers facing new labour market risks (Supiot, 1999). Further research related to the area of labour market flexibilisation includes the necessary definition and

measure of flexibility and identification of new “standard” versus diversification of employment relations, the analysis of consequences of flexibility on individual’s lifecourse, and the diagnostics of “winners” and “losers” of these new forms of employment relations.

In relation with young people, longitudinal data clearly show that new forms of labour market segmentation emerge through school-to-work and early-career trajectories, including stabilisation through insecure employment status for which new social rights are needed to support professional development.

References

Askenazy P., Caroli E., 2003, « New Organizational Practices and Well-Being at Work : Evidence for France in 1998 », *LEA Working Paper* 03-11.

Bué J., 2002, « Temps partiel des femmes : entre « choix » et contraintes », *Premières Synthèses*, DARES n°08-2.

Bué J., Coutrot T. Hamon-Cholet S., Vonck L. , 2007, « Conditions de travail : une pause dans l’intensification du travail », *Premières Synthèses*, DARES n°01.2, Janvier.

Bunel M., 2004, *Arbitrage entre flexibilité interne et flexibilité externe : une analyse empirique*, Document d’études de la DARES, 67 p.

Boyer R., 2001, « Du rapport salarial fordiste à la diversité des relations salariales, une mise en perspective de quelques recherches régulationnistes », *CEPREMAP Working Paper*, n° 2001-14, September.

Cancé R., Fréchou H., 2003, « Les contrats courts : source d’instabilités mais aussi tremplin vers l’emploi permanent », *Premières Synthèses*, DARES n°14.1, Avril.

CERC , 2005, *La sécurité de l’emploi face aux défis des transformations économiques*, rapport n°5 du Conseil de l’Emploi, des Revenus et de la Cohesion sociale, Paris : La Documentation Française.

Céreq (2007), *Quand la carrière commence ...*, Céreq, Marseille.

Charpentier P., Huygues Despointes H., Lallement M., Lefresne F., Loos-Baroin J., Turpin-Hyard N. , 2005, *RTT et organisation du travail : l’incidence des lois Aubry II*, Document d’études, n°100, DARES, Mai.

Couppié T., Gasquet C., Lopez A., 2006, « Les sept premières années de vie active de la Génération 98 : entre insertion et débuts de carrière », *Bref n°234*, Cereq, Marseille, October.

Estrade A., Ulrich V., 2002, « La réorganisation des temps travaillés et les 35 heures : un renforcement de la segmentation du marché du travail », *Revue Travail et Emploi*, n°92, pp. 71-94.

Fondeur Y. and Minni C. (2004), ‘L’emploi des jeunes au coeur des dynamiques du marché du travail’, *Economie et Statistique*, n°378-379, INSEE, Paris, 85-105.

Givord P., 2005, « Formes particulières d’emploi et insertion des jeunes », *Economie et Statistique*, n°388-389, pp. 129-143.

Givord P., 2006, « L'insertion des jeunes sur le marché du travail entre 2002 et 2004 », *INSEE Première*, n°1061, Janvier.

Lesnard L., 2006, « Flexibilité des horaires de travail et inégalités sociales », *Données Sociales- La Société Française* INSEE, pp.371-378.

Marchal N., Molinari-Perrier M., Sigot J.C. (2004), 'Génération 2001, S'insérer lorsque la conjoncture se dégrade', *Bref n°214*, Céreq, Marseille, December.

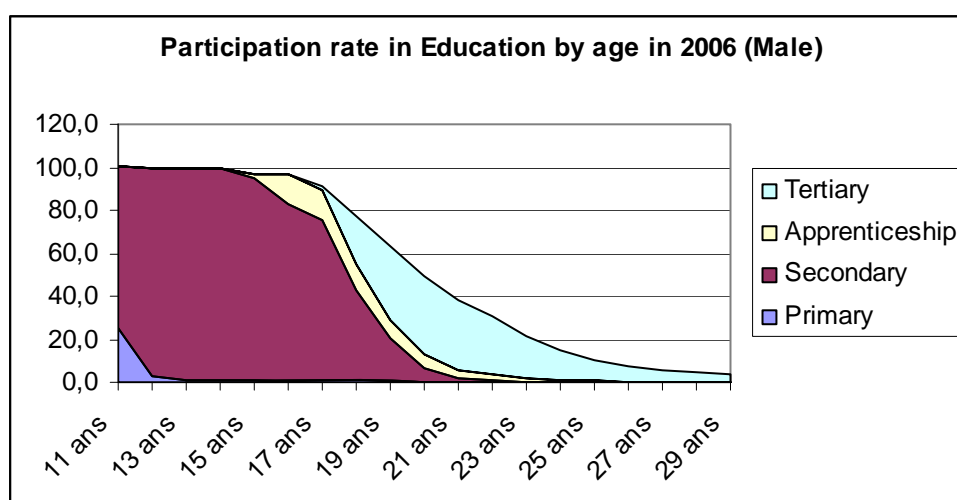
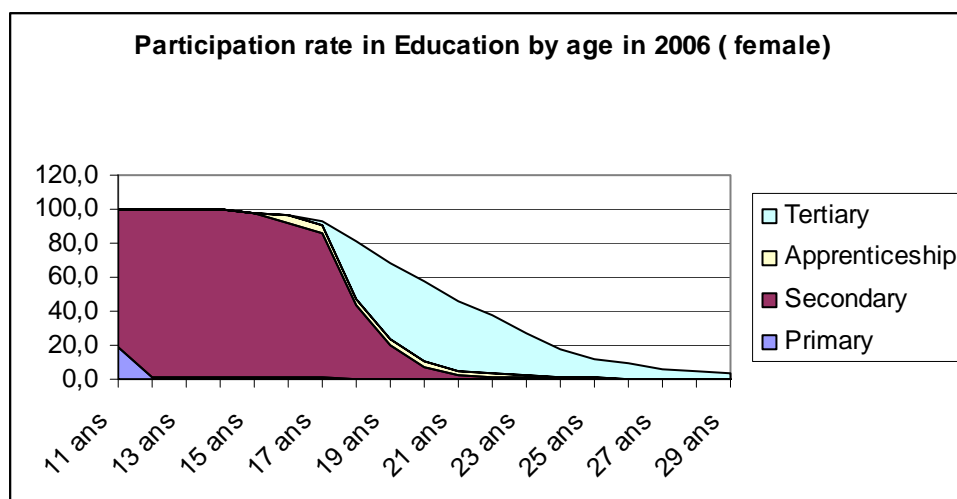
Petit H., Sauze D., 2006, "Une lecture historique de la relation salariale comme structure de répartition d'aléas : en partant du travail de Salais", in F. Eymard-Duvernay (dir.), *L'économie des Conventions Tome II*, Paris : La Découverte, pp. 303-316.

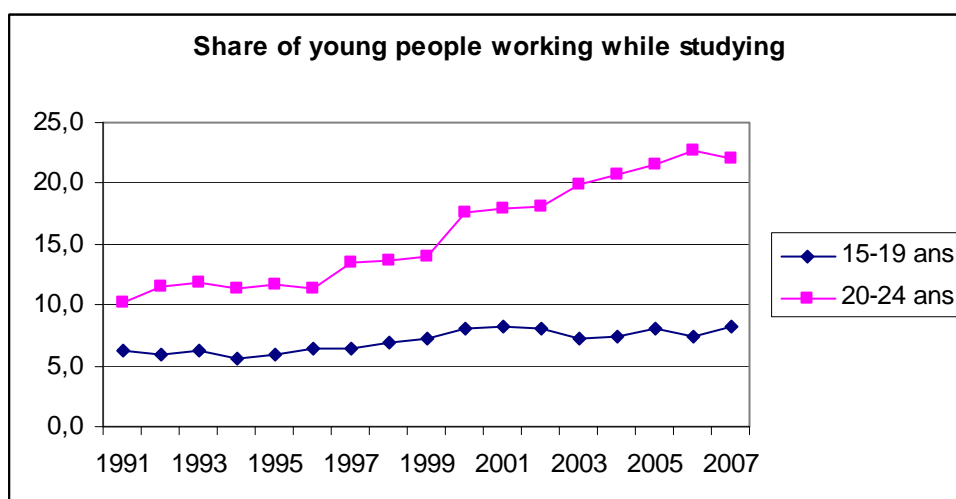
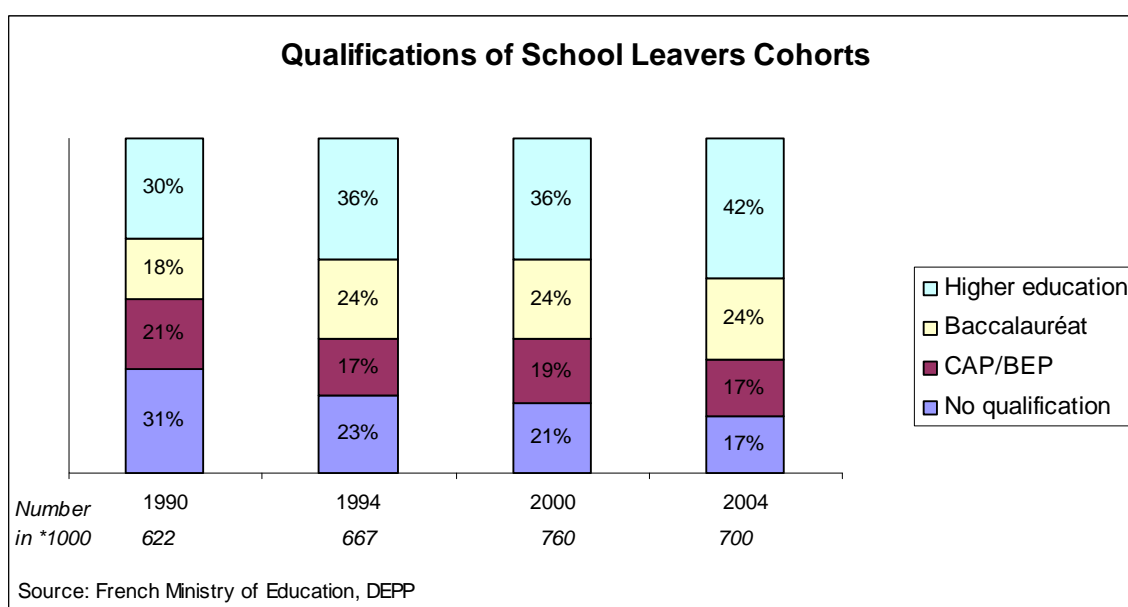
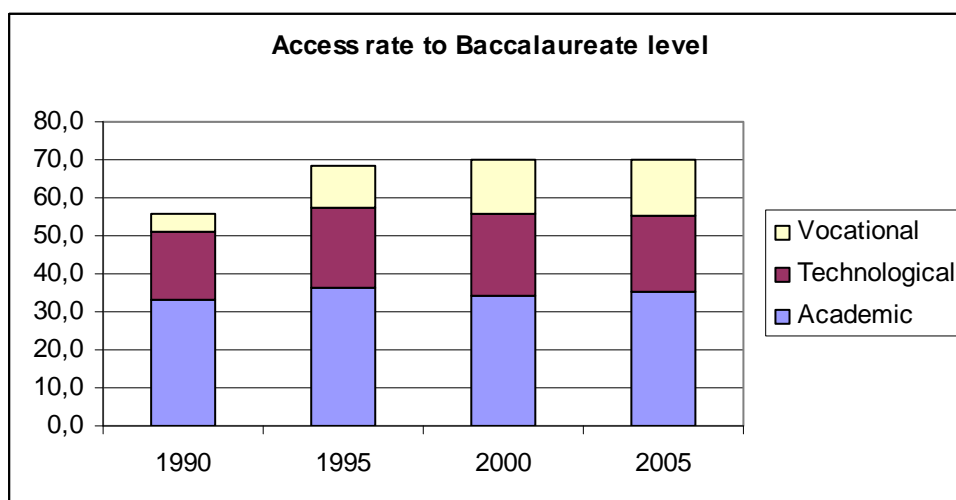
Supiot A. (dir.), 1999, *Au-delà de l'emploi*, Rapport à la Commission Européenne, Paris : Flammarion.

Whiteside N., 2000, « From full employment to flexibility : Britain and France 1960-1990 », *Working Paper Series in European Studies*, vol. 3, n°3, International Institute, University of Wisconsin, Madison.

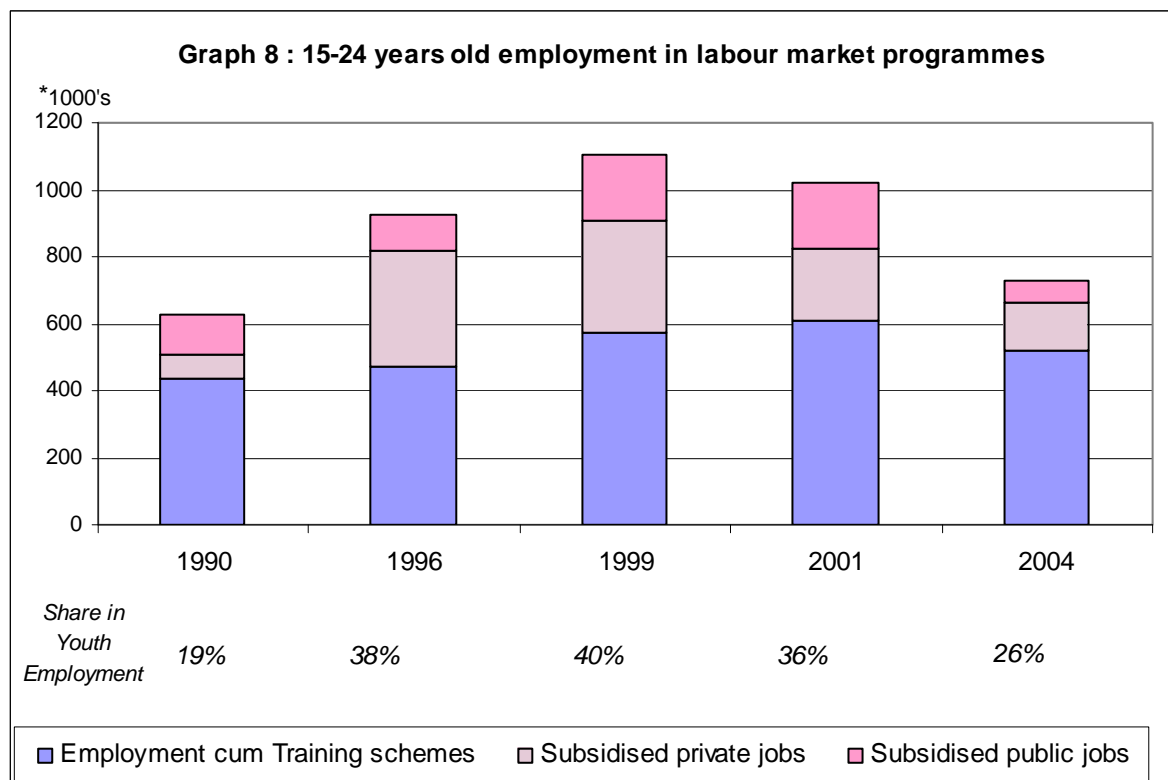
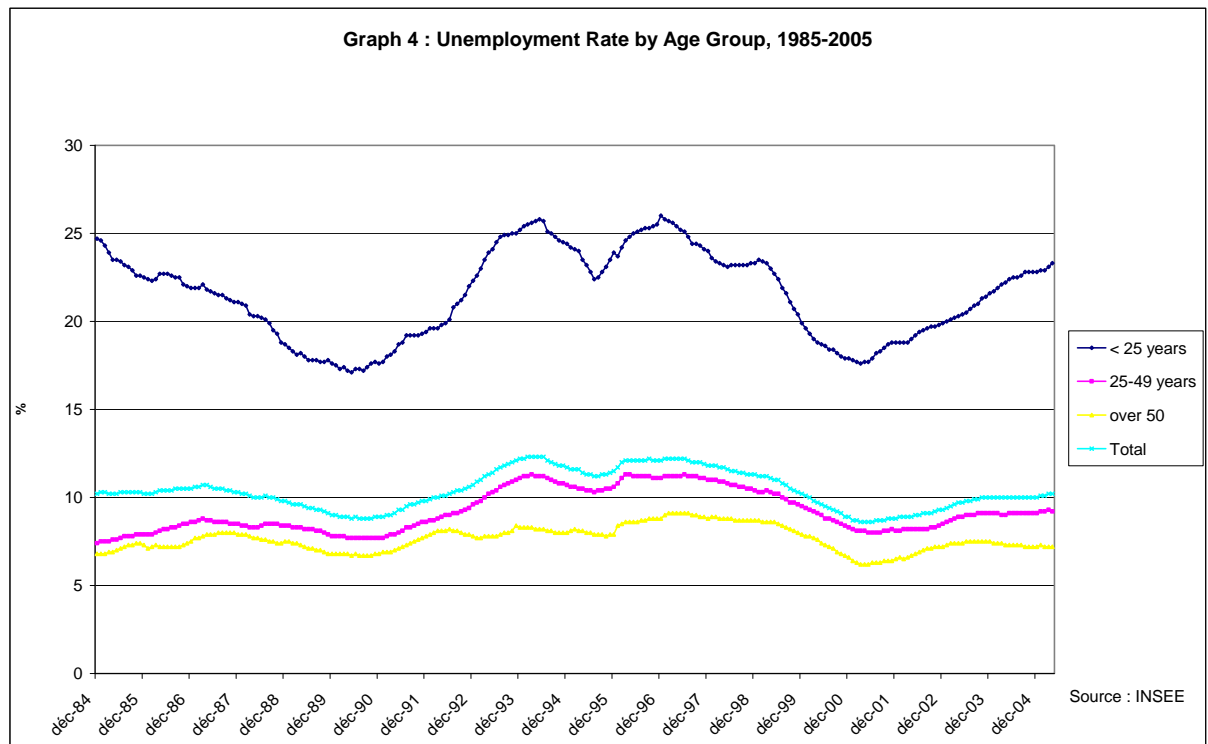
Annex 1 - Statistical Data

1) Education





2) Labour Market



School-to-work transition indicators for 1998s school leavers

	All "Generation 98" school leavers			
	1999	2001	2003	2004
Proportion in employment	73,9	83,2	84,7	86,1
<i>open-ended contrat</i>	37,0	57,4	67,8	73,5
<i>fixed term contract</i>	36,9	25,8	16,9	12,6
Proportion in Unemployment	12,7	9,6	10,0	9,0
Proportion in Inactivity	13,5	7,2	5,3	4,9
Total	100,0	100,0	100,0	100,0
Unemployment rate	14,6	10,4	10,5	9,4

Source: Cereq, Generation 98 Survey

	With no qualification			
	1999	2001	2003	2004
Proportion in employment	59,6	66,0	68,0	71,4
<i>open-ended contrat</i>	23,8	36,0	44,7	51,0
<i>fixed term contract</i>	35,8	30,0	23,3	20,4
Proportion in Unemployment	22,6	21,8	22,7	20,4
Proportion in Inactivity	17,9	12,2	9,3	8,2
Total	100,0	100,0	100,0	100,0
Unemployment rate	27,5	24,8	25,0	22,2

Source: Cereq, Generation 98 Survey

	With secondary school qualifications			
	1999	2001	2003	2004
Proportion in employment	73,1	81,6	84,1	85,5
<i>open-ended contrat</i>	32,7	51,9	64,3	71,1
<i>fixed term contract</i>	40,4	29,7	19,9	14,5
Proportion in Unemployment	12,6	9,4	9,6	8,6
Proportion in Inactivity	14,3	9,0	6,3	5,8
Total	100,0	100,0	100,0	100,0
Unemployment rate	14,7	10,4	10,2	9,2

Source: Cereq, Generation 98 Survey

ANNEX 2 - Subsidised Employment Contracts

Le contrat de professionnalisation s'adresse à tous les jeunes âgés de 16 à 25 ans révolus et aux demandeurs d'emploi âgés de 26 ans et plus. Il s'agit d'un contrat de travail en alternance à durée déterminée ou indéterminée incluant une action de professionnalisation. Son objectif est de permettre aux salariés d'acquérir une qualification professionnelle et de favoriser leur insertion ou réinsertion professionnelle. L'action de professionnalisation comporte des périodes de travail en entreprise et des périodes de formation ; sa durée est en principe comprise entre 6 et 12 mois, mais peut être portée à 24 mois par accord collectif de branche. La durée de formation est d'au moins 15 % de la durée de l'action de professionnalisation. Les bénéficiaires âgés de 16 à 25 ans révolus sont rémunérés en pourcentage du Smic (entre 55 % et 80 %) selon leur âge et leur niveau de formation ; les autres salariés perçoivent une rémunération qui ne peut être ni inférieure au Smic ni à 85 % du salaire minimum conventionnel. Ce contrat ouvre droit pour l'employeur à une exonération des cotisations patronales de sécurité sociale quand le bénéficiaire a entre 16 et 25 ans ou quand il s'agit d'un demandeur d'emploi âgé de 45 ans ou plus.

Le contrat d'apprentissage est un contrat de travail qui a pour but de donner à des jeunes travailleurs ayant satisfait à l'obligation scolaire une formation générale, théorique et pratique, en vue de l'obtention d'une qualification professionnelle sanctionnée par un diplôme de l'enseignement professionnel ou technologique, un titre d'ingénieur ou un titre répertorié. L'apprentissage repose sur le principe de l'alternance entre enseignement théorique en centre de formation d'apprentis (CFA) et enseignement du métier chez l'employeur avec lequel l'apprenti a signé son contrat.

La durée du contrat varie de 1 à 3 ans en fonction du type de profession et de la qualification préparée. Tout jeune âgé de 16 à 25 ans peut entrer en apprentissage. La rémunération, calculée en pourcentage du Smic (entre 25 % et 78 %), varie selon l'âge du jeune en apprentissage et sa progression dans le ou les cycles de formation.

Tout employeur du secteur privé peut embaucher un apprenti s'il déclare prendre les mesures nécessaires à l'organisation de l'apprentissage : le suivi, obligatoire, par un maître d'apprentissage, notamment. Les cotisations sociales (salariales et patronales, hormis pour les accidents du travail) sont prises en charge par l'État. Les contrats d'apprentissage ouvrent droit à une indemnité compensatrice forfaitaire (montant minimal de 1 000 euros par année de contrat), versée à l'employeur par le conseil régional. En outre, les entreprises ont droit à un crédit d'impôt (1 600 euros par apprenti et par an, voire 2 200 euros dans certains cas).

Le contrat d'accompagnement dans l'emploi (CAE) est un contrat de travail à durée déterminée, destiné à faciliter l'insertion professionnelle des personnes sans emploi rencontrant des difficultés sociales et professionnelles particulières d'accès à l'emploi. Sa durée minimale est de 6 mois et sa durée maximale de 24 mois renouvellement compris ; il peut s'agir d'un temps partiel (avec un minimum de 20 heures hebdomadaires, sauf exception) ou d'un temps complet. La possibilité de conclure un CAE est ouverte aux employeurs du secteur non marchand (pour l'essentiel, collectivités territoriales, autres personnes morales de droit public, personnes morales de droit privé chargées de la gestion d'un service public, associations loi 1901). La conclusion d'un tel contrat ouvre droit, pour

l'employeur, à différentes aides : exonération de cotisations sociales patronales à hauteur du Smic, aide à la rémunération fixée en pourcentage du Smic (pouvant aller jusqu'à 95 % du Smic).

Le contrat jeunes en entreprise (CJE) aussi qualifié de dispositif de "soutien à l'emploi des jeunes en entreprise" (SEJE) vise, par le versement à l'employeur d'une aide forfaitaire de l'État, à favoriser l'embauche en contrat à durée indéterminée de jeunes éloignés de l'emploi. Instituée au second semestre 2002, cette mesure a été plusieurs fois réformée. Actuellement, elle s'applique aux jeunes âgés de 16 à 25 ans révolus :

- dont le niveau de formation est inférieur à celui d'un diplôme de fin de second cycle long de l'enseignement général, technologique ou professionnel ;

- ou qui résident en zone urbaine sensible (ZUS) ou encore qui sont titulaires du contrat d'insertion dans la vie sociale, et ce quel que soit leur niveau de qualification.

L'aide de l'État est accordée pour une durée de 2 ans, avec un abattement de 50 % la seconde année (soit pour les embauches réalisées depuis le 15 juin 2006, 400 euros par mois pour un contrat à temps plein la première année, et 200 euros la seconde année).

3. German Report: SOFI, Partner 8, P. Bartelheimer and R. Büttner

3.1. Task 1: Education, Labour Market and Family. Main Features of the Institutional Context for Young People Trajectories in Germany

Peter Bartelheimer, René Büttner, 01.11.2008

Educational and training system

Training

Professional development in Germany is hardly conceivable in absence of a qualifying degree. Historically there are two ways of obtaining a degree, one is studies (university or technical college) and the other is professional training. Access to the paths leading to these degrees is mostly dependent on educational performance in the first years of school attendance. In most of the German Länder (which have the authority over educational questions), pupils are selected for the different branches of the three-tiered school system after the fourth class already. Some (traditionally social-democrat governed) Länder have installed 'integrating general schools' (Integrierte Gesamtschule), uniting the three different branches under one roof.⁷ As for degrees, the the Länder all provide three different kinds, which are presented in the following table together with their share in the age-groups between 20 and 25 and between 50 and 55 in the year 2006.

Table 1: Secondary degree's share in two age-groups

	Aged 20 to 25			Aged 50 to 55		
	All	Men	Women	All	Men	Women
Baccalaureate ('Hochschulreife')	37,40%	33,40%	41,80%	23,50%	27,40%	19,70%
GCSE ('Mittlerer Abschluss')	33,60%	32,60%	34,60%	17,80%	14,80%	20,70%
Elementary degree ('Hauptschulabschluss')	21,50%	26,00%	16,80%	40,90%	40,70%	41,10%

Source: Bildungsbericht (2008: 233)

⁷ There are also, in some Länder, schools uniting Haupt- and Realschule (concerns 6,8 % of all pupils) as well as private schools, most prominently the "Freie Waldorfschule" (accounting for 0,7 %) [Quelle: Datenreport: 54].

As can be seen in the table, the importance of the elementary degree, which once represented the biggest fraction of school leavers, has decreased while considerably more pupils reach a GCSE or baccalaureate. The institutional background of this development is, like in other European countries, the education expansion, which took place during the decades of the 1960s and 1970s. The dynamic came to a halt in the 1980s, and during the past decade it was present merely on a minor scale. Therefore, those leaving with an elementary degree still represent almost a quarter of an age-group, facing increasingly difficult situations in the further training and job market. In addition, the number of pupils leaving school without any degree is still considerable with 7,8 % in 2006 (9,1 % in 2003). Attributes increasing the probability of being a school drop-out are being male, having a migration background, stemming from a poorly-educated family and being from Eastern Germany. A remarkable aspect is the reversal of the gender structure in the educational hierarchy: Women are now over-represented in the higher branch of secondary education and less frequently attend the lower one, while the opposite had once been the case.

Higher secondary education

In the year 2004, 1,963 million people began their studies in Germany, thereof 49 % women, which is also the percentage of female graduates in this year. With regard to the table displayed above, this means that women are less inclined than men to use the right to attend higher education once they have attained baccalaureate⁸. The proportion of individuals with a German educational career eventually taking on studies is at 30 percent⁹, lagging behind the politically aspired 40 percent (Olaf Scholz; NBB: 119). Still, German universities face and will increasingly face severe problems of capacity. Due to large age-groups coming, among other reasons, the number of students enrolling at German universities and technical colleges is predicted to climb by more than one quarter up to 2,667 million in the year 2014. Notwithstanding these forecasts and the political target of extending higher education, universities' personnel has been reduced during recent years, it is only in technical colleges that the number of staff has been raised. The so called 'Hochschulpakt 2020' signalizes political effort to tackle this problem, the Länder receive federal funds in return for providing places for agreed numbers of students in the future. The existence of capacity problems at present can be observed by ratios comparing students to university staff, but also by procedures of allocation of places at university. According to discipline and local legislation accession is decided upon by central administration ('ZVS') or the educational institution itself, the former according to educational achievement, the latter on the basis of tests and interviews. At present, the proportion of students entering freely is at one third of all students.

An alleged consequence of its capacity challenges is said to be the lack of 'efficiency' of the German university system, which is mirrored not only in a high length of stay but also a high rate of abandonment of studies. On average, German students finish university studies after 12 semesters, which is significantly above the 'Regelstudienzeit', the duration expected by educational policy makers. Yet, it is also said to be a result of the lack of organisational structure. Whether the

⁸ While the *Abitur* gives access to university and to technical college, the specific baccalaureate (the so called 'Fachhochschulreife' only permits attending the latter, giving a more practically oriented high-level education.

⁹ Augmented by students from abroad

Bachelor/Master system, introducing a set of obligatory courses and a stricter time table, will raise the efficiency is not yet empirically established.

As for the financing of studies, students from different socio-economic backgrounds tend to have similar incomes, while its composition differs (cf. Bildungsbericht 2008). If for the socio-economically more advantaged group, parents are the major source of funding, others earn money or receive state support, which is partly to be paid back after the education phase. These allocations, the so-called BAFÖG¹⁰, are disbursed according to parent's wealth and therefore fulfil a compensation objective, applying to about 29% of students. Scholarships are not received but by a small fraction of students which is approximately 2% over all.

Professional training

The second branch of post-secondary education is professional training. In Germany, it was once equivalent to the well-known "dual system", which consists of modules both of practical training and education. In recent years, a further professionally qualifying system has joined, which is the vocational school system ("Berufsschulsystem"). Its difference with the dual system is the fact that there are no constitutive elements of practical education taking place in private companies or public institutions. The emergence of this third institution can be explained with structural change in the German economy, i.e. a growing importance of personal and knowledge-related services. Compared to the total of persons obtaining degrees of professional training (which make up two thirds of an age-group), it provides approximately 30 percent of degrees, while the dual system accounts for about 70 percent (Bildungsbericht 2008: 70), giving access to professions related to industry.

Accession to the named pathways is not formally regulated by degrees from secondary education, as the branches of the professional training system do not require graduation. Nonetheless, there has been increasing competition in the latter field, resulting in a higher selectivity of accession to different branches of dual professional training. Particularly training for public services and liberal professions (cf. Bildungsbericht 2008: 109) is increasingly available only of those applicants with educational degrees permitting access to higher education, applicants with more basic schooling degrees are pushed into training for professions like agricultural or domestic services. However, this can not be taken for a mere crowding-out phenomenon, as there is also an increasing awareness about the cognitive demands of professional training (ibid: 115).

In addition to an increased selectivity of training position allocation, there has been a growing overall scarcity of positions in comparison to the number of aspirants. Companies have not been ready to provide a sufficient training offer in recent years mostly for economic reasons: On the one hand, there has been uncertainty in the markets; on the other hand there is the fact that apprenticeship is most of the time a net investment by companies (cf. Bäcker 2008). A growing mobility of workers, be it caused by the company or the worker himself, in this case the possible departure of an apprentice after the termination of the training period, means a loss of human capital to the company, therefore the unrewarded creation by the firm of positive externalities. This dynamic is fuelled by a growing

¹⁰ This is but the acronym for the law enabling the payment, but it is the word generally used for the latter.

demand for qualified workers by firms, causing as a paradox result at the same time a disincentive to offer training. Therefore, by far not every aspirant to an apprenticeship has been given the chance of training during recent years. The number of the so-called 'old applicants' (*Altbewerber*), candidates having already applied for an apprenticeship without success in former periods, came to exceed the number of candidates just having left school.

There have been a number of political reactions, e.g. subsidies by the state for training 'Altbewerber'. To raise the total number of training positions, the state had also pursued a legal project enforcing their creation, which was avoided by an agreement between the government and employer's associations in 2004. By the national pact for training¹¹ the government and the German economy representatives engage jointly to provide a training position to every young person willing and able to take on an apprenticeship. Its main means are the creation of an additional 30 000 training positions by the economy and of several thousands in the federal administration so that the number of apprentices equals seven percent of its personnel. Another measure is the communication to the local chambers of commerce of the addresses of potential apprentices by the Bundesagentur. In addition, the pact proposes special measures for disadvantaged candidates, for example the financing of a contingent of training positions for young migrants. The pact is termed a success by the German government and has been prolonged in 2007.

It is true that in 2004 for the first time in five years, more apprentice training positions were created than in the year before. There has also been a slight increase in 2006 and 2007, but they are still not sufficient to absorb the demand (Bildungsbericht 2008: 115) and there is an ongoing accumulation of unsuccessful candidates. Those candidates, together with young people said to be lacking the individual qualification for an apprenticeship or showing deviant behaviour, are integrated into the transition system (*Übergangssystem*). This is an umbrella term for a multitude of schemes, differing according to clientele and supporting organisation, which altogether integrate more than one quarter of the age-group in question, 503 401 in the year 2006. This is not much less than the performance of the dual system with 551 434 contracts (NBB). The aims of the transition system are of pedagogic, educational and social nature, but they also relate to labour market politics (securing the offer of skilled labour und preventing future dependency of individuals). One of the schemes making part of the transition system is the entry qualification for young people ("Einstiegsqualifizierung Jugendlicher"), which is itself a result of the mentioned national pact for training. Companies engage in creating internships for young people who are held not to have sufficient qualification for directly starting an apprenticeship. They carry the cost for material and administration, while the state covers the remuneration for the intern and social insurance contributions. After the duration of 6 to 12 months, the internship ends and if interns are taken over by the company in order to make a real apprenticeship, the duration of the latter can be diminished by the duration of EQJ. Empirically, the effectiveness of this program has been positively verified by comparison with a control group. Other major schemes of the transition system predominantly try to close gaps left by the school system. The fact that they do not provide qualifying degrees themselves exposes them to the critique of being mere queuing lines at some distance of the real labour market.

¹¹ Nationaler Pakt für Ausbildung und Fachkräftenachwuchs in Deutschland
<http://www.bmwi.de/BMWi/Navigation/Ausbildung-und-Beruf/ausbildungspakt.html>

Paid work during the training period

Apprentices receive a monthly salary for the work they do during the three years of their training. The amount of apprenticeship pay is negotiated by the bargaining partners on sector level. Within sectors, there is no wage difference between different apprenticeships, but between sectors, huge differences exist (for example 457 Euros monthly for a baker, compared to 859 for a concrete worker in 2007). Companies pay the wage negotiated by their employer's association, if they are not organized in a collective, they often follow the standard in their sector, but they have also the legal possibility of staying up to 20% below (which some of them do). Apprentices' pay can differ between regions; in East Germany it is considerably lower, reflecting partly the lower cost of living and partly the weaker bargaining position of East German workers.

As for students, 28 % of their income is derived from work besides studies. Students from economically less performing backgrounds tend to work more to compensate the lower support received from their families. For employers, there is an incentive to employ students, as students are in the social security system for free when working less than 20 hours a week.

Unpaid activity during the training period

Internships

Internships are meant to be a means of acquiring practical professional insight, but they can also aim at creating contact with a potential employer. Three different kinds of internships can be distinguished: voluntary internships, obligatory internships and internships initiated by the unemployment agency. The importance of internships in young people's careers has considerably increased during recent years, to the extent that they are even sporadically termed the "internship generation" by the media. This development might be due to an ever more difficult orientation in the labour market which requires *trying out*, but it has certainly got to do with the growing scarcity of employment opportunities in this very labour market. This is why internships are done not only during the period of training, in order to collect extra qualifications, but increasingly after completion of professional training. Following a survey done in 2007 (BMAS 2008: 25), out of young Germans between 18 and 34 years, 20% have engaged in an internship *after* having completed professional training. Thereof, 7% represented a training and integration measure initiated by the Bundesagentur für Arbeit, 5% were obligatory internships (in the wake of training programmes) and 6 - 7% were voluntary. One fifth of the internships sponsored by the Bundesagentur were followed by a job in the respective firm, slightly more in the case of obligatory (21%) and voluntary (26%) internships. In the latter categories, voluntary return into non-employment is more probable though, e.g. in order to take up further education. Classifying internships under the headline „unpaid activity during the training period“ is a somehow awkward decision yet for another reason: There are as well paid as unpaid internships. While 50% interns with a professional degree felt occupied just like a normal employee, 51% didn't receive any salary and 12% didn't feel appropriately paid. It comes as a surprise that salary for voluntary internships is not significantly higher than for obligatory ones. Most interns finance their internships from additional exterior sources, one fifth of them work besides the internship.

Against this practice, denounced as exploitation by trade unions and as a threat of undermining the labour market, new legal arrangements are promised by the ministry for work and social affairs.

According to the ministry, learning and qualification will again be at the centre of intern's occupation and those with completed professional training will be prevented from systematically being used for ordinary work without ordinary salaries.

Labour market

Paid work

Following Bäcker (2008), the activity rate of Germans in their twenties has decreased from 80% in 1991 to 75% in 2005. This is partly due to a higher participation in education. Nonetheless, the fact that the employment rate has decreased much stronger, which implies a higher jobless rate among young people, indicates that poorer chances on the job market might be the ultimate cause of this development. Just as it became more difficult for young people to step into traditional professional training, the standard employment relationship becomes less and less available. Even among the relatively privileged group of young people between 18 and 34 having completed their studies or an apprenticeship (ca. 10 million people), (repeated) spells of atypical employment become increasingly commonplace (cf. BMAS 2008). Out of the fraction of those who have had contact with the labour market, 20% have participated in at least one internship, 10% already worked as agency workers ('Leiharbeiter'), 32% in temporary contracts¹² ('befristet Beschäftigte') and 11% in part time employment. Underlining the precariousness emerging from those conditions, it can be stated additionally that even their typical employment relationships became more short-termed in many cases. Moreover, 37% of these privileged (already had contact with the labour market) among the privileged (possess a degree of professional training) have experienced spells of unemployment (BMAS 2008: 14). Of course, this fate is all the more probable for the rest of the young population. Putting the situation into a nutshell, it can be said that career entry is no transition any more, but has become a phase of its own (cf. Klammer 2004). In the following, recent developments in labour market- and social politics conditioning young people's integration into the labour market will be presented.

Changes in employment and welfare system

The years 2002 to 2005 saw the most important redesign of the employment and welfare system in the history of the federal republic. These comprehensive changes were at the core of the red-green "Agenda 2010". They were motivated by a paradigm shift from "active labour market policy" to an "activation strategy" and were designed to implement recommendations and to adapt "good practice" disseminated through OECD and through the EU employment strategy.

From a structural point of view, the main results of this policy shift are twofold: The public employment service was split up into a two-tier-structure, and social assistance, until 1984 a universal means-tested welfare system, was fragmented into categorial schemes, with a strict dividing line between employment and non-employment assistance.

¹² Klammer (2004: 285): „Today in west Germany the youngest groups of employees are on limited employment contracts about six times as often as employees in the near-retirement age groups”.

Historically, the German public employment service combined the functions of unemployment insurance, employment assistance and employment services within one corporate institution, supervised by the state but with a degree of tripartite self-management involving the social partners. Until 2004, the Federal Employment Office, renamed in 2003 Federal Employment Agency, administered two types of cash benefits:

- unemployment benefits (earnings-related insurance benefit, funded by mandatory contributions as part of the standard employment relation),
- unemployment assistance (earnings-related and means tested assistance to unemployed not entitled to insurance benefits, originally with infinite duration),

In theory, all unemployed were entitled to the same counselling and placement services and training, employment and support measures. In practice, the segmentation of the labour market resulted in increasing numbers of unemployed not eligible for insurance benefits, while fiscal reforms of the 1980s and 1990s restricted entitlements to unemployment assistance and benefit duration. Social assistance (means-tested, with infinite duration), considered as a residual welfare system during the “fordist” period of expansion of the German welfare state and administered locally by municipalities, once again acquired an important caseload of job-seekers and employable recipients, and local administrations created a variety of welfare to work structures and programs, partly in cooperation with local employment agencies.

Under the new system, insurance and tax funding streams were separated. Instead of creating a one-stop agency for all employment related services, the redesigned governance of labour market policy deepened the divide between employment and welfare agencies.

The agency remains responsible for unemployed with insurance entitlements (unemployment benefit I, UB I) and for registered job seekers who are neither entitled to insurance nor to means tested assistance. This highly centralized first tier system is legally referred to as “SGB III” (Third Book of the German Social Security Code, Employment Promotion). Incidentally, the social partners lost most of their influence on the Federal Employment Agency, as it was internally reshaped according to principles of New Public Management

A new tax funded system of employment assistance, “basic income for job-seekers” was created for unemployed and their families entitled to means-tested assistance. This second tier structure, in legal terms “SGB II” (Second Book of the German Social Security Code, basic income for job-seekers), is decentralized and administered locally, combining responsibilities of the Federal Employment Agency (job counselling, labour market programs and part of the cash benefit) and of the municipalities (housing related benefits, child care provision and other social services). At present, three governance models for local SGB II job centers coexist (joint management by employment agencies and municipalities, municipal management and separate management by employment agencies and municipalities). As this impractical construction reflecting problems of German federalism was recently ruled unconstitutional by Federal Constitutional Court, a new governance structure will have to take effect by the end of 2010. Basic income benefits consist of “unemployment benefit II” (UB II) for working age claimants capable of working (which means in practice: not eligible for incapacity benefits) and of “social benefits” for inactive family members (mostly children). The level of assistance corresponds to non-employment welfare benefits, and one of the objectives of its introduction was to increase work incentives by bringing income replacement rates down; yet due to progressive benefit replacement rates in means test rules that are intended “to make work pay” benefits can be partly combined with wage income.

Employment assistance (SGB II) is by far the larger system. In 2007, 6.9 million job seekers were registered with the public employment service. Of this number, 25% or 1.7 million were registered with the SGB III tier (1 million recipients of UB I and 0,6 million job seekers without cash benefits). 75% of the job seekers (5,3 million) claimed UB II within the SGB II tier. For young adults, the predominance of SGB II over SGB III is even more expressed. While in June 2008 126.000 young adults (aged 15 to 25) were registered as unemployed with employment agencies, local SGB II job centers had 1.1 million claimants of that age that were considered fit to work (of whom only about 200.000 counted as unemployed).

While the fragmented delivery of labour market policy results in impracticable governance structures, institutional inconsistencies and conflicting procedures, its main effect is to deepen the social stratification of the workforce. Although the division of job seekers among the two-tier structure depends on their benefit entitlement and does not follow client's need for support or their degree of employability, it tends to reinforce the pattern of labour market segmentation outlined above. The work force in continuous employment or going through protected transitions hardly ever enter in contact with the SGB II job centers whereas the precariously employed and the long term unemployed hardly ever return to the employment agency once their insurance entitlements have run out. SGB II claimants constitute a rather heterogeneous group, non-eligibility for insurance being their only common denominator. Only a minority of 0,9 million UB II claimants are long-term unemployed in the statistical sense. A large part of the work force in unemployment assistance moves in and out of welfare: In 2008, roughly half of the "new" cases had an earlier spell of UB II within the last year, and roughly a quarter of "outflow" cases will begin another spell of UB II within three months. 1.3 million UB II claimants hold jobs that do not pay enough to end benefit entitlements. In fact, the new system of unemployment assistance has been one of the most important factors for the growth of low paid and non-standard employment as UB II benefits in fact function as wage supplements for precarious jobs.

The position of claimants of employment agencies and SGB II job centers differ in many respects.

While both systems implement the activation paradigm of monitoring job-search efforts and mutual obligations codified in individual integration contracts, elements of an insurance logic are still operative in the way employment agencies treat "their" unemployed. Integration contracts remain voluntary and are not a precondition for access to active measures. Clients who fulfil legal requirements are still entitled to certain labour market measures and programs (e.g. placement vouchers for private agencies after six weeks of unemployment), and definitions of suitable jobs still protect earlier earning levels (whereas acquired skills are no longer protected) and some family restrictions in geographical mobility. Employment assistance follows a much stricter activation regime. Integration contracts are virtually mandatory, benefits are strictly conditional on participation in activation measures and job search activities established by case workers, and basically all legal jobs are considered as suitable. Activation rules are particularly strict for young adults (up to age 25). Job centers are legally required to place young adults in work or training schemes immediately upon benefit take-up.

Sanctions in the SGB II system are much more severe. With young adults, even minor infractions (e.g. interviews missed) can result in a complete loss of benefits for three months (with the possible exception of food stamps) leaving claimants literally destitute as no other welfare schemes are open to them.

Whereas interventions of employment agencies are aimed at individual workers and are restricted to the sphere of labour market integration, case work in employment assistance addresses the situation of

families as well. While job centers have little support to offer, e.g. in child care provision, they can control the ways of life of claimants in all respects that are considered relevant to their employability or to their chances to reduce the need for assistance. As young adults who claim assistance are legally required to live with their parents they need the permission of their case worker if they want to claim housing subsidies for setting up their own household.

While in legal theory UB II claimants have access to most of the labour market programs of employment agencies (defined under SGB III), they have been most affected by the downscaling of costly integration measures. In practice, workfare type “employment opportunities” and short term training programs that serve as work test are the only measures accessible to most of them. In activation measures for young adults (up to age 25), work has taken precedence over training.

As activation policies call for a strict separation of unemployment and non-employment benefits, the system of welfare providing basic income support has been fragmented as well. In 2006, 8,3 million persons or 10,1% of the population depended on means-tested cash benefits designed to prevent poverty. (Like unemployment and underemployment rates, assistance rates vary largely by region, being highest in East Germany and de-industrialized urban areas in the West.) With 7.3 million claimants, unemployment assistance was by far the most important system. The new “childrens’ supplement” devised as an alternative to UB II for economically active parents with low-paid jobs has remained rather insignificant, with a caseload of 92.000. All other basic income schemes administer non-employment benefits (social welfare and welfare for elderly and incapacitated persons: 764.000; asylum seekers’ benefits: 194.000, war victim’s benefits: 60.000.)

The Hartz-reforms also have a deregulation component. It did not concern the standard employment relationship as such, but rather facilitated alternatives and exceptions (Jakobi and Kluve 2006: 14). Most importantly for young adults, temporary employment is not restricted any more, under the precondition of equal pay and equal treatment with regular employees. As mentioned above, the federal employment agency itself falls back upon temporary work, organized by the newly created ‘Personalserviceagenturen’, which might surprise, given that temporary work had once been forbidden in Germany. Also, the restrictions on dismissal now only apply to firms with more than ten employees (before: more than five).

Family

Partnership, Parenthood, Unpaid activity and independent living

Starting a family in Germany has traditionally taken place after the establishment of the prospective breadwinner in the labour market [cf. Siebter Familienbericht]. This family concept has remained, though in a modernized shape, the dominating family concept, and institutions have been promoting it still in recent times by tax benefits for married couples and a lack of care infrastructure. The aim of secure integration in professional life being reached later and later (if at all), due to prolonged educational pathways and instability during a whole lengthy phase of labour market integration, family foundation by young Germans has been retarded in the biography. Two thirds of the 17 to 25 years old live with their parents, the tendency is to the rise (Datenreport 2006: 547). Young men tend to stay longer than young women as they tend to start a family later. The impact of the socio-economical context on family formation can very well be seen at the example of young East Germans: when at the beginning of the 90s, approximately one out of three 17 to 25 years old lived with his or her own

family, it was only half this proportion in 2004 (ibid.). With one out of six, young Germans of the East have reached the value of their West German counterparts. Economic uncertainty as well as change in social politics compared to GDR is recognized as the reason for this development.

Consequently, there seems to be a window of opportunity for the state to positively influence family formation and reproduction by supportive measures. In the context of a critical demographical development, politics have deployed measures to increase incentives and decrease disincentives to child bearing: child allowance has risen to 157 Euros, paid until the dependent child has reached the age of 25 and a new parental leave scheme has been installed. Following the Swedish example, an income replacement of 67 percent of the renounced wage is paid during up to 14 months. The last two months are conditional on both parents taking at least two months of parental leave each. Since the introduction of this new scheme in January 2007, the proportion of fathers taking parental leave has increased from 3 percent to 18,5 percent in the first quarter of 2008 (cf. Statistisches Bundesamt). Having children before the completion of education is rather unusual in Germany, certainly due to the problems of reconciling parenthood with studies. Academics are faced with a rush hour of life, a phase where family foundation, parenthood and professional establishment must be decided upon within just a few years (Siebter Familienbericht: 249).

3.2. Task 2: Impact of Labour Market Flexibility on Young People's professional development in Germany

Peter Bartelheimer, René Büttner

Which is the more relevant debate (flexibility or flexicurity) in Germany?

Since the formation of the conservative – liberal coalition in 1982, the dominant theme in German politics and in political discourse has been flexibility, not security. Neither the seven years of social democrat – green coalition (1998 – 2005) nor the formation of the “grand” (conservative – social democrat) coalition in 2005 has brought a fundamental shift of emphasis. German socio-economic policies were based on the assumption that the German welfare state and labour market regulation were too rigid, that extensive social security and status protection for workers stand in the way both of job creation and of adaptation of German economy to competition within a globalized economy, and that market pressure must be given more room within the regulatory framework of the German model. Of the two macro-level hypotheses distinguished by Muffels et al. (2008: 9), German policy followed the “trade-off” thesis (more labour market mobility at the expense of security) rather than the “flexicurity” thesis.

In accordance with this, the issues of flexibility and mobility have ranked high on the political agenda whereas the term “flexicurity” has been hardly used in German political debate. While used in European policy papers and in social science (Kronauer/Linne 2005; Klammer/Tillmann et al. 2001) it is not at all established in German policy debates.

Actual policies tended to be more contradictory than the flexibility-biased political discourse suggests. In order to maintain popular support for the reunification and to mitigate the disastrous socio-economics effects of integrating the state socialist economy of East Germany, costly social security and labour market programs were introduced in the east, resulting for instance in massive use of supported employment and public job recreation during the first half of the 1990's – programs that later were phased out again.

What is at stake and which are the main topics arising from this debate?

The main topics arising from this debate deal with economic efficiency and draw on neo-classical economic theory. It is held that companies hire more easily when dismissal becomes less costly and that individuals make themselves available for work the more they have economic incentives to do so, respectively disincentives not to. Structural unemployment is meant to be fought with life-long-learning, with individuals being responsible for the maintenance and updating of their ‘human capital’. This is a necessity for staying attractive for employers, and the workforce must also be marketed by the worker. Klammer (2001: 8) refers to this with the notion of the „Arbeitskraftunternehmer“, which is an individual dealing with his capacity to work like an entrepreneur. His success therein is the more crucial for his social security the more the state has delegated security functions to the labour market.

Security, although not being an important subject in the debate, is without any doubt what is at stake here.

Which kind of flexibility is more relevant in Germany?

Germany is characterized by its extensive vocational training system (cf. Brzinsky-Fay 2007: 411), which means that professional orientation is implied in the educational phase, while countries like the UK have rather general qualifications imparted by education. As a consequence, the labour market in Germany corresponds to an occupational labour market, conveying the numerical type of flexibility instead of a functional type. External numerical flexibility (job flexibility) has been facilitated by a regulation policy facilitating agency work and fixed-term employment. Those in standard employment contracts still benefit from comprehensive protection, experiencing rather internal numerical flexibility (working time flexibility) which is made possible by working time accounts. The used categorization draws on a typology of forms of flexibility and dimensions of security proposed by Muffels et al., which could prove useful in organising a systematic presentation of the country reports on the institutional and regulatory setting that shapes life courses.

Table 2 Typology of forms of flexibilisation and its respective means

	Internal labour market	External labour market
Quantitative (numerical) flexibility	working hours working time geographical mobility of workforce	contracts
Qualitative (functional) flexibility	organisation of work internal (workplace) training	external (institutional) (re-) training
Wage flexibility	company bargaining use of supported employment	collective bargaining income replacement

Adapted from: Muffels et al. 2008: 2)

An important issue in assessing specific measures of flexibilisation is to establish to what extent they reflect needs of workers and / or of companies. According to Muffels et al. (2008: 9sq.), four basic dimensions of security “facilitate the labour market careers and biographies of workers”:

- job security (tenure in a specific job),
- employment security,

- income security,
- combination security (capability to combine paid and unpaid work).

In addition, Muffels et al. (2008: 9) distinguish several forms of labour market mobility:

- job or occupational mobility (in internal and external labour markets);
- contract mobility (e.g. between fixed term or permanent employment and self-employment);
- exit mobility and re-entry mobility.

Which are the topics around securing professional pathways?

As Klammer (2001) argues, forms of flexibility and questions of security can be addressed at three levels: individual flexibility and security needs and effects on individual working lives, flexibility strategies of companies and national regulation. Obviously, in Del. 13 the issue is social security institutions and labour market regulation on a national level. However, it is not practical to deal with all the institutional aspects of flexibility and security raised in the above classifications. One central working hypothesis of the SOFI CAPRIGHT team is that new lines of labour market segmentation are emerging within the German employment system. As these segments are characterised by different patterns of labour market integration over time (i.e. over the life course or over life stages), they can only be empirically observed by using longitudinal data. Recent changes in social security and labour market policy affect these segments of the labour force differently.

As a stylised fact, four segments of the labour force can be distinguished:

- Continuous standard employment: An important segment of the work force is continuously employed in standard employment relations. Within this segment, both unemployment and low-wage employment remain rare experiences and largely hypothetical risks. While this segment of the work force is able to remain in work, there is contradictory evidence as to increasing or decreasing job tenure and to the incidence of job changes.
- Employment with protected transitions: In this segment, employment is interrupted by episodes of unemployment or child care. While job changes and contract mobility (including periods of low-wage employment) are expected to be more frequent, they are still covered by social insurance or by parental leave schemes, and trajectories are still characterized by long spells of standard employment.
- Precarious employment: Unemployment episodes, time spent in labour market programs, non-standard and low-wage employment tend to alternate. While episodes in standard employment remain possible, they do not change the overall aspect of a precarious position within the employment system. The major risk this segment of the workforce is

- Potential exclusion: For a small segment of the workforce, neither standard employment nor significant spells of non-standard employment remain within reach. These groups tend to disappear from labour statistics as they change into states of “inactivity” that are compatible with welfare state regulations (e.g. early retirement, disablement, motherhood). On the other hand, the objective of activation policies and programs is to keep these groups within the labour force even though job placements through the public employment service are extremely improbable.

Within the first and second segments of the work force, contract and working time flexibility are major issues, and flexibilisation can to some extent reconcile interests of workers and companies. For these segments, something like flexicurity can be attained by modernising the existing institutions of the labour market and the welfare state. For the third and fourth segment, both the labour market and social security holds few options; they have to meet extreme flexibility demands that go together with little or no security.

This working hypothesis on labour market segmentation has to be considered when discussing changes in the German welfare and gender regimes. The “continental” German welfare regime is mainly based on two modes of entitlements:

- social insurance systems that cover periods of risk or transitions only for those individuals that have a record of substantial time in standard employment,
- universal social protection systems for specific life stages or risks (e.g. children’s allowances, childcare provision, parental leave, public employment service); entitlements are a social right (social citizenship).

As the segments of the workforce with precarious employment records or facing exclusion from the labour market grow in size, social assistance as a third form of social security has become increasingly more important. Assistance benefits are not only means-tested (as are some social protection schemes) but they also become increasingly precarious, as they are administered through case work and contractualisation as “modern” forms of “governing the poor”. The important changes in the welfare regime, in labour market policy and in the public employment service introduced since 2005 within the framework of the “Agenda 2010” tend to deepen the dividing lines between the “higher” and “lower” segments of the labour force.

Who are the main actors in charge of developing these changes?

An actor in respect to the security of professional pathways of young people has first and foremost been the state, in its functions of controlling the education system as well as passive and active labour market policy. Framing and partially directing nation states’ actions, the European Union with its Lisbon agenda, employment strategy and equality campaigns is

certainly also a prominent actor. Whether companies should be considered actors is questionable notwithstanding their importance as potential or actual employers: understanding actors as deciders who have the freedom to choose among options lets companies rather seem like transmission belts of world market uncertainties and financial market pressures. Last but not least, individuals have changed their way of forming households, participating in education and training as well as in the labour market. It is not self-evident to decide to what degree developments on the individual level are reactions to the changing constraints on the labour market or expressions of individual preferences.

Discussion

“How the institutional framework related to educational and training system, to family and to labour market (including relevant policies) contribute (or not) to secure freely chosen life courses/trajectories for young adults”?

The question about self-determination is an awkward one when asked about the German education and employment system. Theoretically, all possible pathways should be open to anyone, but still outcomes seem quite pre-determined. The socio-economical standing of the family has been shown to have a decisive impact on performance and perception of children at elementary school, conditioning their allocation to a type of secondary school, which is influenced by the child's performance, the teacher's estimation and the parents' ambition. The mobility between secondary school types being low, the allocation on school types directly determines the type of the final school leaving certificate, which is again the entry ticket to the labour market or subsequent training stages. As only one type of certificate, the Abitur, opens the doors of university, the choice of (probable) life trajectories is already considerably narrowed for many pupils at the age of 10, not to mention the eight percent of school drop-outs produced by the German educational system in every age-group.

After general education, the choice of professional education is not only determined by the degree obtained, but also by information about possible openings. Pupils with lower degrees face the additional difficulty of having to decide at a younger age about how to start their professional itinerary, often having ‘unrealistic’ ideas about their possibilities as they are not informed about offer and demand at the labour market as well as formal obstacles. The vocational counselling provided by schools and the Federal Employment Agency (‘Berufsorientierung’ and ‘Berufsberatung’) is currently is not profound enough to close this gap, more efforts should be made¹³. For pupils with expectable difficulties, the testing of a mentor scheme (‘Berufseinstiegsbegleitung’) has been decided, giving them accompaniment for the completion of school and the quest for an apprentice training position. Of course, even under circumstances of perfect information, the real number of available apprenticeship positions limits the possibilities for qualification, especially for young people with a lower

¹³ Cf. „Empfehlungen des Hauptausschusses des Bundesinstituts für Berufsbildung zur Berufsorientierung und Berufsberatung vom 14. Dezember 2005“, BIBB, 2005

educational record. Since 2005, a considerable number of new positions have been created, but they do not suffice by far, so that many get stuck in a so called ‘transition system’, consisting of measures of varying quality. While some yield educational results in an informal or even in a certified manner, or even establish contacts leading to proper training contracts for young adults, others seems rather like waiting loops at distance from the market of veritable professional training. From this perspective, the chance of professional training seems like a privilege, but focusing on practical training it does not provide sufficiently abstract education, so that the skill of keeping pace with the rapid change of tasks of modern working life is not sufficiently developed. All in all, the real freedom of choice in the labour market is very much contingent on performance in the educational system, especially performance at an early stage, creating path-dependence throughout the career. Elements outside the scope of individual influence, like stemming from a migrant or a poor family, contribute to these dynamics.

In ignorance of (not only) the described dynamics of pre-determination, recent changes in labour market and social policy were motivated by the allegation that unemployment were a consequence of the individuals’ behaviour. Policy has therefore been streamlined to set incentives for unemployed people to look for and accept jobs. Freedom to choose one’s life course has been affected negatively, especially for what young people are concerned. Firstly, they are not given enough time to find a job which is satisfying and promising in the long run. Turning down a job offer is penalized, no matter whether there is a connection to the acquired qualification or to the personal aims. The integration contract between the case manager and the job seeker doesn’t change this as the latter has a weak bargaining position. Secondly, the aspect of learning, a source of choice in the future, is not attributed sufficient importance. This is especially obvious in the schemes called ‘work opportunities’, which are meant to establish an identification with working life, but which often do not have elements of further qualification. Thirdly, the independence of young people from their families of origin has been reduced, with which they are considered a community (‘Bedarfsgemeinschaft’). The facts that they are not given support for independent living and the fact that parents continue to pay for them means that they have less individual decision over themselves. In addition, their financial possibilities may be restricted by the difficult financial situation of their parents, which has a direct impact on educational behaviour, among others.

In terms of the capability approach, the institutional arrangements do not sufficiently promote, and often even reduce, capability for work. Young people with a low level of labour market attractiveness are not given the chance to escape from work they consider without value.

References

Allmendinger, J. E. W., Ed. (2005): „IAB Handbuch Arbeitsmarkt“

- Autorengruppe Bildungsberichterstattung: „Bildung in Deutschland 2008“, Bielefeld, 2008
- Bäcker, G. N., G.; Bispinck, R.; Hofemann, K.; Neubauer, J. (2008). Sozialpolitik und soziale Lage in Deutschland. Wiesbaden, VS Verlag für Sozialwissenschaften
- Brzinsky-Fay, C. (2007). "Lost in Transition? Labour Market Entry Sequences of School Leavers in Europe." Vol. 23(Nr. 4): 409–422, Oxford, 2007
- Bundesagentur für Arbeit: „Statistik“, Nürnberg, September 2008
- Bundesagentur für Arbeit: „Arbeitslosigkeit nach Rechtskreisen im Vergleich“, Nürnberg, Oktober 2008
- Bundesagentur für Arbeit: „Analyse der Grundsicherung für Arbeitsuchende“, Nürnberg, Oktober 2008
- Bundesministerium für Arbeit und Soziales (BMAS 2008): „Was ist gute Arbeit? Anforderungen an den Berufseinstieg aus Sicht der jungen Generation“, Stadtbergen, 2008
- Deutscher Gewerkschaftsbund (DGB)/Friedrich Ebert Stiftung (FES): „Jugendarbeitslosigkeit: Jugendliche und Hartz IV: Was macht das Fördern?“, Berlin, 2007
- Jacobi, L. K., J. (2006). "Before and After the Hartz Reforms", RWI, 2006
- Klammer, U. u. K. T. (2001). "Flexicurity: Soziale Sicherung und Flexibilisierung der Arbeits- und Lebensverhältnisse", Düsseldorf, 2001
- Klammer, U. (2004). "Flexicurity in a life-course perspective." Transfer: European review of labour and research Vol 10, S. 282-299, Brussels, 2004
- KRONAUER, Martin, LINNE, Gudrun (2005): Flexicurity: Leitbild, Rhetorik oder halbherziger Kompromiss? In: Dies. (Hrsg.): Flexicurity. Die Suche nach Sicherheit in der Flexibilität. Berlin
- Muffels, R./Chung, H./Fouarge, D./Klammer, U./Luijckx, R./Manzoni, A./Thiel, A./Wilthagen, T. 2008, Flexibility and security over the life course, Dublin / Luxembourg.
- Statistisches Bundesamt: „Datenreport 2006“, Bonn, 2006
- Statistisches Bundesamt: „Soziale Mindestsicherung in Deutschland 2006“, Wiesbaden, 2008-10-31

4. Italian Report: DiSA, Partner 12, E. Abbateccola and S. Poli

4.1. Task 1: Education, Labour Market and Family. Main Features of the Institutional Context for Young People Trajectories in Italy

EDUCATIONAL AND TRAINING SYSTEM

Regarding institutions connected to educational and training system Italian legislation provides two important kind of instruments.

From one side there is the normative about any form of internship for educational purpose or vocational guidance (Tirocini formativi e di orientamento), expressively provided by art. 18 L. 24/06/97 n.196. These experiences realizes a real periodicity between study and work experiences, for example, generally provided by statutes of local Universities that, in agreement with firms, industries and Institutions, permit to students to follow for a certain period an “on field” experience directly involved in work situations that are directed toward a continuity between the study career and the future job career. Often, these experiences are compulsory directly to obtain the final studying graduation and give a chance not only to get in touch with possible work situations, in order to understand individual personal vocations and to make direct experience in a particular job, but, especially in scientific courses, permit a quicker passage between the end of the study period and the starting of working life. Institutions that are allowed to promote this kind of stages and internship are: Employment Agencies, Universities, Education Agencies, Vocational Education Centres and Therapeutic Communities (in case of disabilities). The experience cannot last for more then 12 months for university students. In this case the experience is connected to a system of formative credits gained by the subject through the internship. This kind of experience is also allowed to young students following the secondary school, but only for a period less then four months. In case the beneficiary subjects are unemployed or inscribed on mobility lists, the internship or stage cannot last for more then six months. The experience can be extended to 24 months in case of handicap. In any case the experience must be conducted under insurance coverage providing. During the experience the subject is directly followed by a tutor that organize and follow the activities conducted. It has to be underlined that this kind of experiences do not represent in any form a sort of job contract.

On the other hand there are normative institutions that interest directly young workers and establish a real job contract combining paid activity and learning. In this case we are in front of a mixed cause job contract, that is a job relation combining salary and learning. There are two main institutes representing this situation. The first is the apprenticeship contract where the employer gives professional formation needed to obtain the competencies of the qualified worker and, in exchange of this formative effort, he can benefit of tax breaks and exclusion of the apprenticeship workers form the overall account of numerical limitation provided by law. First normative in Italy for apprenticeship dates back to 1955 (L.25/1955), then the normative concerning this institute passed through many reforms in 1987 (L. 56/1987), in 1997 (art. 16 L.196/1997) and, lastly, through D. Lgs. 276 in 2003

the apprenticeship has been deeply transformed in his formative and contractual aspects. Through the last reform the apprenticeship has been divided in three types:

- 1) Apprenticeship for obtaining right-duty to education that is one of the channel provided by reform of educational system to accomplish the right-duty to education and learning till 18 years old age (L.53/2003).
- 2) Professionalism Apprenticeship, with the aim of obtaining a qualification through learning on the job and technical-professional education.
- 3) Apprenticeship for obtaining a degree or for high level study courses.

Are allowed to employ apprenticeship workers employers from every economical sector, nevertheless keeping in account that the number of apprenticeship workers must not overcome the 100% of qualified workers and no more then three apprenticeship workers are allowed in firms employing till three qualified or specialized workers. Special provisions are stated for artisan firms by L. 443/1985. Apprenticeship worker must be between 16 and 24 years old, extending to 26 years old in case of particular geographical areas (Objective 1 and 2 stated by European Community) and in case of disabled workers. In artisan sector national contracts allow an extension to 29 years old age for highly specialized professional employing. The extension of the contract starts from a minimum of 18 months to a maximum of 4 years (5 in case of artisan sector).

Other kind of contract with mixed cause is the contract of training and working, a fixed term rapport that obliges the employer to give specified training together with a monetary retribution. While being very similar to apprenticeship contract, is different from this because it can be stipulated only from those employers that, at the starting of the contract, got in service almost the 60% of workers with a similar contract in the past two years. The specified formative needing does not simply exhaust in working along with older colleagues while realizing individual mansions, neither by notions that an older colleague could transmit to the younger inexperienced, or by mere sharing experiences together with others, but through a specific and determined program of instruction and learning aimed to lead the employed to a qualified and experienced level.

FAMILY

In the last ten years, the so called atypical jobs (collaborations, temporary jobs and so on) have been becoming more and more common, with many consequences which could be considered less or more heavy depending on: age; educational level; professional skills; local labour market characteristics; presence and quality of supporting networks; nationality (Gallino, 2001; Magatti, Fullin, 2001). In a word, we could say that job flexibility (at least in Italy) is favouring an inequality gap, as it becomes a resource for stronger workers but it could mean risk of precariousness and marginalisation for weaker ones.

This new situation has a strong impact not only on individual working paths, but also on capabilities concerning private lives, effecting:

- Independent living;
- Quality of personal life

Independent living

Most of young adults experience long years of short term contracts, that means a weak capability in terms of independent living, unless there's a family network able to guarantee a house.

Costs of housing are very high (especially in big cities), and wages presents at least three point of weaknesses:

- Amount – there are no laws defining minimum wages for flexible jobs;
- Regularity – contracts could be short;
- Foreseeable – there are no laws defining wage timing for flexible jobs.

Banks don't lent money to precarious workers, and there are no State incentives for young people willing to become independent.

Quality of personal life

Flexibility has, as well, a strong impact on quality of personal life in terms of :

- Work/care conciliation;
- Rights related to maternity and paternity;
- Family strategies.

Working-mothers have always been forced to be flexible, both in terms of time management between family and work duties, and identity, contemporary being a mother, a wife and a worker (Trifiletti, 2003). But in the past the context was different and there were at least some certainties, such as foreseeable working times and strong protections (maternity laws).

We think that, in this sense, today we are facing a quite paradoxical situation, as labour market claim a great flexibility from women whereas care times still remain very rigid: division of labour within the family is far from being equal, notwithstanding recent changes; welfare state shows the tendency to delegate care to family instead of providing services; services times are still rigid.

The unequal division of labour within the family plus the *familistic* character of the welfare state (Esping-Andersen, 1999), force working-mothers to delegate family care. But delegation need foreseeableness in order to be organised. If I need to hire a baby-sitter I have to know when, where, with which times and earnings I'm going to work, but most of the new contracts don't allow any long-term planning.

Concerning working-mothers rights (formally strong in Italy), nowadays maternity protection seems to be a privilege of a few, and when it is provided for, it is weak or not easy to obtain. The average length of atypical contracts is too short, and therefore a women who gets pregnant is very likely not to be reconfirmed. A field research on 163 flexible couples shows that almost all the women interviewed who were unemployed had got pregnant while working with an atypical contract (Salmieri, 2006).

Talking about family strategies, as seen above nowadays having a child often implies a weakening of a precarious condition especially for women, and getting pregnant often means, for precarious workers, to loose the job. As a research of Ires (2005) shows, the 59% of female collaborators is around 40 years old, and the 40% of these women don't have children. The capability to build a family is even weaker when both partners are precarious workers.

These last considerations bring us to the conclusion that, in order to investigate social justice in a resources-capabilities perspective, we always have to pay attention to all those situations where there is a gap between formal and substantial justice which weaken social actors capabilities.

LABOR MARKET

Law 30/2003, known as Biagi Law from the name of its legislator, represents a radical reform in the Italian labor market, introducing several changes to the “Pacchetto Treu”, introduced in Italy on June 1997, the most important measure of labor market deregulation. Biagi Law introduced new atypical jobs (job on call, job sharing, staff leasing, project work) and modified some aspects of the previous legislation, regarding in particular intermediation demand-supply, part time job, occasional jobs, having a strong impact on professional development, in particular on young adult working trajectories.

Paid work

The aspect that pools Italian young people is that the entrance to the labor market is characterized moreover by atypical forms of job and that very often flexibility is a condition imposed by market rather than a personal choice (Altieri, Carrieri, 2000). New generations have to deal with new modalities of conceive and “live” the job, in virtue of shift from a job as an activity full time, permanent, with precise and foreseeable trajectories to a job as not standardized and fragmented system, with temporary and not very foreseeable paths. Whereas, as stressed above, consequences of flexibility depends on different factors - age, educational level, professional skills, presence and quality of supporting networks, nationality (Gallino, 2001; Magatti, Fullin, 2001) – flexibility favors an extension of social inequalities process, because it is a resource for whom is more powerful, but it represents a risk of shakiness and marginalization for whom is weaker. For instance, as stressed by Fukuda-Parr and Hill (2002, pp. 185-202), being able to follow and negotiate the change and to adapt-and-adopt new ideas, methods or categories of thought are going to become crucial capabilities in the globalized market economy where flexibility and malleability are more crucial than ever for economic and social success. Without these capabilities, specialized skills under-utilization and dissipation as well as exclusion from knowledge communities or informative sources may result in a lack of life opportunities. Complex functionalities components of human capital ought to increase them enlarging human skills and options.

Referring to wage young people who have atypical jobs we can identify three critical elements: wage quantity, because very often they are underpaid, regularity and predictability. This working situation is made more difficult by typical Italian unemployment rate, which interests mainly, other than women, young people. In Italy, in fact, it is more diffused the so called “entry unemployment” (Reyneri, 2002), because it interests mainly people who tries to enter to labor market, who are commonly young, and the so called “intellectual youthful unemployment” (Schizzerotto, 2002), because among people looking for a job there are more qualified young than in the past. Besides, Welfare State doesn’t favor young people: in Italy, in fact, only exist unemployment insurance benefits, which constitute a form of compensation for damage suffered due to job loss and are connected, in terms of amount and length, to the contributions paid by the workers in the past, leaving aside his/her economical conditions. Unlike other European countries, in Italy doesn’t exist, instead, other forms of benefits that, fund by fiscal system, are addressed to people that live in need and are granted for open-ended time, i.e. until

needing conditions live on. For this reason, Italian young people can't receive benefits, because they don't have entitled to compensation, most of them looking for the first job. So, the more protected by Italian Welfare State is the adult man, the *breadwinner* (Esping-Andersen, 1999), but this system can encounter difficulties when more than one component of the family is in unemployment conditions and the whole family can't stand on the economical and cultural level. Thus, if the discrimination against young people doesn't depend on adult higher protection, it is necessary throw out the common sense based on the belief that, in order to increase youthful occupation, it is required more deregulation of the labor market (Reyneri, 2002).

Independent living

Career and employment discontinuity interests an increasing number of subjects, whose social identity building is made more difficult because working experiences remain fragmentary and uncertain. In the actual context, where "game's rules aren't clear" (Beck, 1992), i.e. there aren't certain courses to pass through to catch up an objective (for example a specific professional status or occupations), as were in the fordist society, the passage from "past orientation" to "planning orientation" is necessary. In other words, modern worker can't prearrange his/her own future, but have to plan it step by step: this is true for both personal and professional life.

Personal burdens caused by flexible contracts can be connected to three different types of shakiness: limited or void possibility to make previsions or projects, both long as short term, regarding the future (professional and also existential and familiar future); difficulty to cumulate significant professional experiences which doesn't consent to build a career; fragmentation of work's spatial and relational aspects which are at the base of human being's identity and social integration (Gallino, 2001). From this, it is evident that the risks and the implicit elements of this kind of flexibility have consequences not only on individual level but also on family, making difficult to fulfill maternity and paternity desires and falling on the family of origin the complex task of facing risks and difficulties. In Italy, as in the other countries of Southern Europe, very often family of origin supports unemployment young sons, or sons that have atypical jobs, offering them a place of living, sometimes an income due to advance remuneration or pension received by *breadwinner* or other members of family, and also occasional and irregular activities in the family micro-business (Bermeo, 1999; Karakatsanis, 1999). So, in Italy young people tend to remain in the house of parents for a long time because, due to their uncertain and underpay atypical jobs, they can't become independent and autonomous. Altieri and Pugliesi (1992) explain this particular Italian situation through the peculiar strategies of "intergenerational solidarity", so parents are disposed to do big sacrifices in order to allow sons to reach working positions congruent with educational qualification achieved, whatever the cost, also a long waiting period.

So, deregulation of the labor market and the extensive use, by the firms, of flexible contracts, lead to a "generalization of the occupational insecurities" which characterize more and more modern society, defined by Beck (1992) "*risikogesellschaft*", the risk society. Contemporary worker, then, lives in the condition of the "*Unsicherheit*" (Bauman, 1999), german term which indicate experiences of uncertainty, insecurity and unsafety, that afflicts both personal and professional life of young adult.

4.2. Task 2: Impact of Labour Market Flexibility on Young People's professional development in Italy

Flexibility vs flexsecurity: the Italian situation

To better analyse the debate between flexibility and flexsecurity in Italian labour market it is advisable to give a brief definition of the two terms involved, because they are at the same time strictly connected, but conceptually separated. Needless to say that “flexibility” founds nowadays many definitions, usually ranging from the general degree to which the spatial and temporal boundaries in work experiences are pliable (Hall & Richter, 1988) to a contrariis definitions, strictly connected to the juridical dimension of the contract, like the one given by Reynery (2002) that defines the flexibility of non standard workers by the difference between these last and the standard model (both from the juridical, both from the cultural point of views) of the fordist system, where the worker has generally a full time permanent contract, in subordination to no more then one employer and comprehensive of general social provisions of welfare protection. In the first case flexibility is very generally defined and seems to tend to a potentially positive orientation, stressing on the freedom deriving from the flexibility itself, while the second definition is more connected to the potentially negative consequences of flexible job, with the increased distinction between core and contingency workers in postfordist age and the results at individual level, synthesizable in Bauman's concept of collective *Unsicherheit*¹⁴ (2002) and contextualized by Beck in the *RisikoGesellschaft* (1986). Of course the two just given definitions are not exhaustive, but, at the same time, remain useful to define the second topic, that is flexsecurity, strictly connected to the second definition given and stressing especially on the need of reintroducing an higher level of welfare safety for individuals involved in flexible working situations.

For this reason, the concept of flexsecurity has several dimensions (European Commission, 2005): the availability of contractual arrangements providing flexibility without creating severe labour market segmentation; effective active labour market policies coupled with lifelong learning systems; the provision of an adequate and efficient social security system coupling income support (including unemployment benefits) with labour market mobility. The mix of institutions and measures belonging to these dimensions defines the flexicurity model which exists in a socio-economic system in a given time.

With these early assumptions the Italian situation in labour market seems more oriented nowadays toward a flexible job market, but still lacking enough security in the flexible system itself. According to Accornero, Italian flexibility has usually been seen more as “an escape from normative”, generally adopted by job demand in order to reduce costs and lowering the effect of labour cost in the economical crisis started in the latter '80s. From the juridical perspective this is possible to track in the frequency of reforms that, from the L. 196/1997 to L. 30/2003 increased the chances of flexible contract provisions, more oriented to the regulation and the introduction of new and more elastic juridical situation in job market rather than worried by a more careful prevision of social consequences. According to Ciccione and Raitano (2006) in the political debate, until now, social partners and political coalition have not pursued a proper flexicurity agenda and the concept itself remains still a sort of interesting proposal deriving from international experiences (Denmark, for example) and the word itself started been more adopted in political discussion only in recent years. In

¹⁴ Declined at different levels: general *uncertainty*, existential *insecurity* and personal *unsafety* deriving from the arising precariousness generated by the reduction of social protection

the last decade the employers' associations have complained against the high tax and contribution wedge on labour inputs and have asked for greater flexibility in order to reduce labour costs, laying much less stress on "security" elements (also in terms of funding and involvement in lifelong learning and active policies). Similarly, trade unions have not pursued a flexicurity strategy based on a combination of flexibility and (active and passive) labour policies. They have defended the EPL (Employment Protection Legislation) for open ended workers, contrasting further increases in the degree of external flexibility of labour contracts – even if a disagreement emerged between the three main unions on the acceptability of the L. 30/2003 – and are only now beginning to ask for a new unemployment benefit system able to cope with the needs of all workers. According to some observers (e.g., Borioni, 2005), the Italian labour market segmentation, affecting mainly the youngest temporary workers, might also be due to trade unions' behaviour, as they represent mostly the insiders (open-ended employees) and the retired, while the precarious/temporary workers and the unemployed are scarcely represented and can hence oppose less resistance to (for them) harmful reforms. This is connected also to the progressive de-unionisation of job contracts, especially for those who work in secondary job market, more flexible and less protected (Poli, 2008, p.254). In comparison with the countries where flexicurity strategies have been more firmly undertaken, in Italy mutual agreements between unions and employers' associations on flexicurity elements (starting from lifelong learning) have not been frequently observed (Ciccarone, Raitano, 2006). Basically, there has not been much political will by social partners, the previous Government and local authorities to foster a debate on flexibility and security as complementary and mutually supportive elements. Flexicurity has been hardly present also in the programmes of political parties. In the last decade, both Government coalitions – the centre-left in 1996-2001 and the centre-right in the following five years – focussed on the attempt to increase employability through the provision of flexible and less costly contracts, external flexibility being usually considered a tool for increasing employment and firms competitiveness, with small and mainly transitory negative effects on individual well-being. The last centre-left Government, in charge from May 2006 to 2008, introduced in the Budget Law for 2007 a significant cut in the tax wedge of workers holding permanent contracts, and social security contributions on certain flexible contracts will be raised. The decision was aimed to reduce the relative advantage of atypical contracts and limit the spread of flexible working arrangements. The actual centre-right Government encounters itself the necessity to face the social emergency deriving from the lacking of social protection especially for non standard workers and, at the same time, still got to face the crisis of the welfare system. Particularly in the latest period the real emergency in labour system seems deriving from the security conditions of work conduction, as recently testified by frequent accident repeatedly attested in news. Also this aspect describe a real emergency strictly connected not only to security of social provisions, but also deriving potentially from the excessive reduction of security control in job situations. Regarding the latest initiative it has to be remembered that in summer 2008 it has been presented the Green Book on the future of social model, where is stressed the necessity to create a new Welfare model based on an integrated system between Institutions, Communities and individual responsibility. Main issues contained in the program indicate the necessity of a reduction of waste and dis-function in actual model, toward a governance capable of assisting individuals in general dimensions of family, health, training and occupational conditions. In the same period the Government has decided an objective-program for increasing female occupation, overcoming differences in wages and careers, the consolidation of women entrepreneurship and the creation of integrated projects. At the moment, both the two initiative remains at a program level, waiting for a potential realization.

How the institutional framework related to educational and training system, to family and to labour market (including relevant policies) contribute (or not) to secure freely chosen life courses/trajectories for young adults?

In Italy we can identify some aspects of institutional framework oriented to facilitate life trajectories for young adults but, at the same time, there are other several elements that make them difficult.

First of all, the most important changes of the Italian labour market (with strong consequences on both educational and training system, both family strategies) adopted in the last years, derived from Law 30/2003, known as Biagi Law from the name of its legislator. This Law, introducing new non standard job contracts (job on call, job sharing, staff leasing, project work) and modifying some aspects of the previous legislation (the “Pacchetto Treu”, introduced in Italy on June 1997), conducted to increase job flexibility and favoured an inequality gap, as flexibility becomes a resource only for stronger workers (with more opportunities and resources), but it could mean risk of precariousness and marginalisation for weaker ones. With particular attention to Italian young people, we note that their entrance to the labor market is characterized moreover by atypical forms of job and that very often flexibility is a condition imposed by market, rather than a personal choice (Altieri, Carrieri, 2000). This situation is caused by the fact that in Italy it is more diffused the so called “entry unemployment” (Reyneri, 2002), i.e. it interests mainly people who try to enter labor market, which are commonly young. For this reason, if young people don’t want to remain unemployed, often hasn’t other choice than accept an atypical job. Also Italian Welfare State doesn’t favor young people: in Italy, in fact, only exist unemployment insurance benefits, which constitute a form of compensation for damage suffered due to job loss, and doesn’t exist, instead, unlike other European countries, other forms of benefits that, fund by fiscal system, are addressed to people that live in need. For this reason, Italian young people can’t receive benefits, because they don’t have entitled to compensation, most of them looking for the first job. Accepting an atypical job, nevertheless, means to accept a job that doesn’t guarantee a secure wage, because it presents at least three point of weaknesses: amount (there are no laws defining minimum wages for flexible jobs), regularity (contracts could be short), foreseeable (there are no laws defining wage timing for flexible jobs). So, it is evident that the risks and the implicit elements of this kind of flexibility have consequences not only on individual level, but also on family, because there aren’t State incentives for young people willing to become independent. This make difficult to become independent and autonomous from parents (in fact, it is very common for young people who have uncertain and underpay atypical jobs, remaining in the house of parents for a long time, postponing the entrance to the “real” adult life) and to buy an own house (in Italy costs of housing are very high, especially in big cities). The capability to build a family is even weaker when both partners are precarious workers, also because banks don’t lent money to precarious workers, and so it becomes very difficult realize maternity and paternity desires. Besides, flexibility has a strong impact on quality of personal life in terms of work/care conciliation and rights related to maternity and paternity. Regarding the first aspect, working-mothers have always been forced to be flexible, both in terms of time management between family and work duties, and identity, contemporary being a mother, a wife and a worker (Trifiletti, 2003). But, in front of a great flexibility required from women by the labor market, Welfare State shows the tendency to delegate care to family instead of providing services, whose times are still rigid. Because most of the new contracts don’t allow any long-term planning, it is very difficult for a working mother delegate family care. Concerning working-mothers rights (formally strong in Italy), nowadays maternity protection seems to be a privilege of a few, and

when it is provided for, it is weak or not easy to obtain. The average length of atypical contracts is too short, and therefore a women who gets pregnant is very likely not to be reconfirmed.

Another aspect that pools Italian young people is the so called “intellectual youthful unemployment” (Schizzerotto, 2002), that is the fact that among people looking for a job there are more qualified young than in the past. To face toward this situation, and to reduce the gap between demand and supply, Italian institutional framework related to educational and training system provides two important kind of instruments. From one side there is the normative about all forms of internship for educational purpose or vocational guidance (“Tirocini formativi e di orientamento”), expressively provided by art. 18 L. 24/06/97 n.196. This kind of experiences can be promoted by Employment Agencies, Universities, Education Agencies, Vocational Education Centres and Therapeutic Communities (in case of disabilities) and do not represent in any form a sort of job contract. The aim is to guarantee a continuity between the study career and the future job career, realizing a real periodicity between study and work experiences. On the other hand there are normative institutions that interest directly young workers and establish a real job contract combining paid activity and learning. There are two main institutes representing this situation. The first is the apprenticeship contract: its first normative in Italy dates back to 1955 (L.25/1955), then the normative concerning this institute passed through many reforms in 1987 (L. 56/1987), in 1997 (art. 16 L.196/1997) and, lastly, through D. Lgs. 276 in 2003 the apprenticeship has been deeply transformed in his formative and contractual aspects. Apprenticeship worker must be between 16 and 24 years old, extending to 26 years old in case of particular geographical areas (Objective 1 and 2 stated by European Community) and in case of disabled workers. The limit consists in the fact that the number of apprenticeship workers must not overcome the 100% of qualified workers and no more then three apprenticeship workers are allowed in firms employing till three qualified or specialized workers. Finally, there is the contract of training and working, very similar to apprenticeship contract. The difference consists that can be stipulated only from those employers that, at the starting of the contract, got in service almost the 60% of workers with a similar contract in the past two years. The positive aspect of this legislation refers to the fact that, though proposing a fixed term rapport, oblige the employer to give specified training together with a monetary retribution.

In synthesis, the previous considerations bring us to a conclusion that we consider true for all the three dimensions analysed: in order to investigate social justice in a resources-capabilities perspective, we always have to pay attention to all those situations where there is a gap between formal and substantial justice which weaken social actors capabilities.

Bibliography

Accornero, A. (2000), Introduzione, in Altieri, G., Carrieri, M., (a cura di) *Il popolo del 10%*, Donzelli, Roma, pp. 7-28.

Bauman, Z., (1999) *In search of politics*, Polity Press.

Beck, U., (1986) *Risikogesellschaft: auf dem Weg in eine andere Moderne*, Frankfurt a. M., Suhrkamp.

Ciccarone, G., Raitano, M, (2006) *Flexsecurity in Italy, Contribution to the EEO Autumn Review 2006 'Flexicurity'*, European Employment Observatory.

Gallino, L. (2001), *Il costo umano della flessibilità*, Bari, Laterza,

European Commission (2005), *Joint Employment Report 2005/2006*, Brussels.

Hall, D. T., & Richter, J., (1988) “Balancing work life and home life: What can organizations do to help?”, in *Academy of Management Executive*, 3, 213-223.

Magatti M., Fullin G. (2002), *Percorsi di lavoro flessibile*, Roma, Carocci

Poli, S. (2008) *La sindrome di Gondrano. Senso e significati del lavoro nella società postmoderna*, FrancoAngeli, Milano.

Reyneri. E., (2002), *Sociologia del mercato del lavoro*, Bologna, Il Mulino

Trifiletti, R. (2003), *Diamo un genere all'uomo flessibile*, in Bimbi F. (a cura di), *Differenze e disuguaglianze*, Bologna, Il Mulino

5. Spanish Report: QUIT, Partner 15, M. López

5.1. Task 1: Education, Labour Market and Family. Main Features of the Institutional Context for Young People Trajectories in Spain

Martí López (QUIT-UAB)

17/09/2008

Introduction

The objective of this paper is to elaborate a brief report on the Spanish situation on the issue of flexibility and flex security measures in the field of cluster 1, this is young adult trajectories and how institutional measures are related with some situations and transitions common to young people.

We will develop the report according to three main institutional dimensions related with young adult trajectories: a) educational and training system, b) labour market, c) family. In each of these big dimensions we will address the main points states or situations related to young adult trajectories, as well as the public policies (as a source of resources) related to them.

Educational and training system

Educational system

Education is compulsory and free of charge in Spain until 14 years age since General Law of Education in 1970, and until 16 since the Organic Law of Education in 1990. Now both elementary and secondary education is compulsory. Students who are not into the public school network can get into the private and state-supported education. In addition there are two years of non-compulsory Secondary Education, or the Professional Training of Medium Grade (1-2 years), until 18 years old. After that there are the Professional Training of Superior Grade or the University and Superior Education.

The different Vocational and occupational training initiatives are configured by the subsystem of professional training for employment, integrating occupational training systems and vocational training systems as a unique model for occupied and unemployed workers. It's important to note that some Autonomous Communities have transferred training responsibilities. The main measures, some referred above, are:

- *Training Plans for occupied workers* (Central and Autonomic level): Developed by unions and employers' organizations between subventions and agreements and offering transversal competences for different sectors or specifics of one sector, including the needed to develop representation roles. These actions could also be

- *Actions of Vocational Training and Vocational Training Plans in enterprises:* training actions developed in enterprises and financed by training quote in social security payments; individual permissions to workers for coursing official training is also considered.
- The *Public Services of Employment* (State and Autonomic Level) can also develop:
 - (a) *Training Actions destined to Unemployed workers:* Insertion and reintegration on employment required by productive system. Developed by Public Services of Employment according to qualification requirements and employment supplies detected.
 - (b) *Training of Specific Collectives:* In agreements with public institutions and non-profit entities training programs destined to people with special needed and labour market insertion problems.
 - (c) *Training Initiatives with hiring compromise destined to unemployed workers:* Agreements with firms, associations or other entities for the development of courses to unemployed with hiring compromise.
- *Training-employment programs:* Training actions of formation contracts and mix programs of employment and training developed by Public Administrations.

Transition form training to employment

The Spanish obligatory educational system is considered little efficient in comparative international terms. The early educational abandonment is high and the student performance on reading and mathematical literacy scales is way under most OCDE countries. In number of Science and Technology graduates, Spain is at the end of EU attainment. In the percentage of population between 25 and 64 years of age that follow permanent education it is also quite behind. It is also in a precarious position in Educational Life Expectancy below university level, even if university levels are high. In contrast, the number of graduated women in Spain is remarkable.

With such a scenario, it is not surprising that the first job young people find proves to be extremely precarious- we will get deep into it further on- and that the difficulties in finding a job seem to be a great obstacle. Juvenile unemployment may be a manifestation of the educational system weakness. In the years 1993 and 1994, with global unemployment rates of 24%, the young population was the one that suffered the most: 52% of those between 16 and 19 years of age were unemployed, as well as 42% of those between 20 and 24. This has not changed, in relative terms, 10 years later, given that the unemployment rates in 2002 and 2003, around 11% for the population as a whole, gets up to 30% for the youngest age bracket. For the 20 to 24 years old, they are around 21%. The numbers situate Spain over the EU-15 average, whose unemployment rate for the population under 25 is 16.3% (and even farther from EU-25, with the 18.6%). The situation of young women is even worse than the one of

men, which is relevant if we keep in mind that the educational attainment of women is far better than that of their masculine counterpart. Furthermore, a very high proportion of young population does not find a job. Such is the reality that motivates some of them to continue studying while they work part time, while others take the option for precarious and badly paid jobs convinced that go further studying does not solve this first important obstacle in their biography.

Labour market

Paid work

First of all, we have to make a brief note about employment policies in Spain since 1980; the enormous unemployment rate is affronted with a flexibilisation of contract type and had as a consequence the enormous tax of temporary employment

As a consequence, during last years, the proportion of unstable employment has been stabilized above 30%. In last trimester of 2007 for those under 25 years old unstable employment represents 60,3% with an employment rate of 49,6% and with unemployment rate of 17,6%, and for people between 30-34 years old unstable employment represents 33,4% with an employment rate of 80,88% and with unemployment rate of 7,7% (Objovi, 2007). This data shows us that the entry in the labour market is determined by unemployment in finding first job and temporary employment in first job experiences. This situation tends to change and with around 30 years old “young people” has a labour situation similar to other workers (with a 30% of unstable employment!).

The numerical external or quantitative flexibility characterize the Spanish labour market and affects especially young people. According to Seifert and Tangian (2007) numerical flexibility is represented between temporary contracts and dismissal costs. The government and social actors tries to compensate the instability and flexibility of this enormous unstable rate of employment with direct economic subventions to enterprise, trying to assure labour relation. The effectiveness of this measure has been limited for different factors related with the continuity of economic model (construction and service sector as the motor of the economy), and the instrumental use of the aid by firms.

The Spanish employers consider that this high rate of temporary contracts is derived from the elevate costs of permanent contracts. In this sense, the new permanent contract in force since 1997 supposes 33 days for year worked in a maximum 24 months in spite of 45 days in 48 months of the ordinary one. In spite of this contract representing an important proportion of new permanent contracts the temporary rate hasn't declined.

Internal flexibility is a “change dimension” in form of pacts and collective bargaining. The usual form has been the change of employment security for flexibilisation measures in working time and wage moderation. Three strategies of internal flexibility are the more developed:

- Working time flexibility: Developed in the automotive sector and after that developed to other sectors consists in agreements that change flexibility in working time for employment maintenance. In spite of useful to avoid drastic cuts in employment supposes instability consequences in workers' life (Martin Artiles, 2007).
- Wage flexibility: More developed after Labour market reform of 1994, which simplifies professional categories and retributive complements, consists in personalize a part of the salary. The 23,8% of collective agreements and 30,8% of firms pacts have

- Functional flexibility: Linked to the changes in firms like modernisation processes and new forms of organization, some studies (Martin Artiles, 2007) shows that they suppose a change and an increase in workers' qualifications when are linked to new forms of organization and workers participation, but less when they are linked to automatisisation processes, which are the most developed.

What security in job is?

We are going to consider now the weak development in Spain of the security measures in the employment and between employments. In this sense, and according to Seifert and Tangian (2007), there are three dimensions to be taken into account: 1) Income security; 2) Employment stability; 3) Employability.

- 1) The extension of temporary employment supposes an extension of insecurity. If we analyze low-wages the contract status is the main explicative dimension, specifically the hour-prize of temporary contracts, both for men and women, in spite of part-time contract (Camarero and Hidalgo, 2000, quoted in Recio, 2001).

The unemployment subsidy in Spain has suffered reduction in quantity during last period for the increase of the minimum conditions requested in order to receive the subsidy, and this conditions also determine a short duration.

- 2) The problem of the instability in the labour market is one of the main goals of employment policies since 1996.

In spite of this, this aim is less developed in collective bargaining (CES, 2005). One of the more developed measures in collective bargaining is the creation of employment for partial retirement (about 15% of collective agreements and 21.7% of workers in 2004). The measures which try to maintain the employment are less developed, and often linked to compensations in terms of flexibility by workers' representatives. More developed are the measures that transform temporary employment in permanent employment that affects about 21% of workers. The less developed are the measures that limit temporary contracts, which affects just the 9% of the workers.

- 3) As well as the individual is now the responsible of its own training and continuous professional development we will make reference here to Active Labour Market Policies and training. First of all we have to note that both active and passive policies pass to represent in 1985 the 3.23% of GDP to 2.25% in 2002. Certainly in this period the expenditure in active policies pass from 0.34% to 0.65%. The more developed measure in this period has been the aids to firms for contracting in permanent contracts and so far vocational training.

How is organized Vocational Training? The National Institute of Employment, its collaborating centres and other homologated institutions perform such training, together with the regions that have transferred responsibilities. If we observe the destination of vocational training, the data offered by the Fundación Tripartita (2007) shows that for 2007 they are about 57% men, about 51% under 35 years old, and the most part of the training is received by qualified workers (41.4%), the 21% by

technicians, the 11.7% by middle commandments, and 4% by directors; only the 21.8% of training is received by no-qualified workers.

Public Policies

As we said before, the enormous unemployment rate of the decade of the 80s was affronted with a flexibilisation of contract types and had as a consequence the enormous tax of temporary employment (it is thought that the AES reform of 1984 is the beginning of instability increase). Until 1985 the reduction of unemployment was the main goal of employment policies and, in this sense, the governments develop measures that deregulate labour norms and creates a flexible labour market. This flexibility was specifically external and quantitative, based in a high range of temporary contracts and generated a high temporary rate (around 30%). After 1995 the discourse of government and also social actors change, and also we can note the development of different measures trying to reduce the temporary rate. The objective now is the reduction of temporary rate and different measures were developed, being the most important ones:

- New permanent contract (*contrato para el fomento del empleo indefinido*, 1997) with less dismissal costs than the ordinary, first destined to specific collectives and after to all workers.
- Direct economic subsidies to employers' to contract with a permanent contract certain collectives.
- Legislation trying to reduce the concatenation of temporary contracts.

Effects on independent living

The precarious situation of the labour market of young people has four dimensions that difficult the access to an independent living (Objovi, 2008):

- Instability: In 2007 the 60.3% of young workers under 25 years old and the 42.9% of young workers between 25 and 29 have a temporary contract. Just when they are 30 years old the temporary contract takes the same level of the whole labour market. It's important to know that the access to a house is often conditioned to guarantee income continuity.
- Unemployment: The usual way of insertion in the labour market for young people is temporality, but we can also take note that the unemployment rate of young people in 2007 under 34 years old was the 11% (13,5% women), in a period of low unemployment.
- Inactivity and delay in labour market insertion: Inactivity is also a family strategy for middle and upper class in order to permit young people the continuation of studies and credential accumulation. In this sense, the 21.9% of people under 34 years old is Inactive (27.9% women, related also to male bread winner model) and the 13.5% is studying.
- Low wages: The medium annual income in 2006 for people between 18 and 34 years old is 16,528.99 Euros (14,574.71 for women), and the costs of housing access (medium prices) is the 71.2% of annual earns for one person and 44.5% for a young household. If we consider

under 30 years old housing access supposes the 93.5% of annual earns of young worker under 25 years old and 74.5% of annual earns of young worker between 25 and 29 years old.

Family

Independent living

The objective of obtaining an independent living in Spain is related to two dimensions, one related to Spanish social model and the other one to economic model. Related to social model we should highlight the importance of the family as a source of security; many families provide saving in house, food and maintenance costs until (and after) young people stay in parents home. Related to precarious and unstable situation of young people in the labour market, and also with the prices of houses market, this social strategy implies a delay in the consecution of social objectives related with adult life, as is showed by available data:

Table 1: Young people emancipated.

4th Trimester 2007

<i>Collective</i>	<i>Percentage</i>	<i>Emancipation tax*</i>
18-24 years old	4,3%	13%
25-29 years old	14,9%	46,6%
30-34 years old	26,1	74,0%
No emancipated	54,7%	54,7%

*Percentage of people living independent in relation to people with same age

Source: OBJOVI (Observatorio Joven de la Vivienda en España).

In addition to this, the emancipation tax of young men is 40.1% and of young women is 50.8%; this difference could be probably explained because in some social groups women left parents home when get married, and this fact is normally earlier in women than in men.

The second dimension, related with economic model, is linked to elevate housing costs. These housing costs are especially higher for young people in relation to the salaries of young people; for example, and according to Objovi (2007) a young from 18 to 34 years old has to dedicate the 71.2% of the salary if he or she wants to access to a house, and a young household the 44.5%; of course, this is related also with the low presence of renting in Spanish tradition. This is because in spite of the recent low decreasing of prices, the price of sell has increased 150% from 1998 to 2007, and rents have also increased 100%.

Partnership

Spain is a country, as the other ones from southern Europe, with a high degree of so called “multigenerational households”. According to Eurostat (1997) the number of persons for households in Spain is 3.2 and the mean in Europe is 2.6. This can be explained by the low percentage of young people living alone or in couple (and also for the older ones); some authors have privileged, in this sense, a sort of cultural explanations related to the importance of stability and marriage in the young couples (Alberdi, 1999) and issues related to what independent living should be (Gaviria, 2002) in terms of house, consumption, status... It seems to be that for young Spanish people emancipation has to be with a couple (and married), with a stable and sufficient economic power, and with the capacity to buy a new and modern house¹⁵.

In spite of these arguments, which obviously have an important role, the structural constraints like labour market and housing prices have a central role (Gentile, 2006). We can argue that probably young people want to live with a couple trying to maintain some living conditions, and of course they want to have a similar house than their parents, etc. The structural situation of the labour market does not permit it and generates a delay, first, in emancipation, and after that in partnership. The fact that the usual way of emancipations seems to be after marriage, specially in women shows us the role of the family in permitting savings and the accumulation of credentials.

Family policies

The politics destined to families have a weak development in Spain because of its political bias derived from Franco’s dictatorship (Parella, 1999). In this sense, as we seen before, is better to understood that as well as in other European countries we should see a reinforcement of family as source of resources next to the crisis of welfare State. Just after 1993 and in a context of reformulation of welfare system we can note a development of some family policies under a “conservative” and welfare mix-system. First of all, family legislation is based in “marriage institution” (in spite of now civil unions tends to have the same rights), the economic subsidies are basic and selective, based in economic situation (means tested) and familiar situation (numerous and monoparental families). Finally social services are also subsidiaries and insufficient and based in a family and women caring model, in spite of the Law on Dependency and Autonomy (2006)¹⁶.

Parenthood

Without resources for a house it’s also difficult to decide to be parents. These decisions are delayed until having more economic stability, especially for men, but also for women: temporary workers, without contract, self-employed... delay the marriage until a clarification in they labour situation. The shut down in the birth rate in women between 20 and 29 years old shows us the changes in the conception of what new generations consider about familiar

¹⁵ Moreno (2000) has argued that the importance of buying in spite of renting a house should be understood as a way of traditional and basic familiar selfprotection in a context of weak development of social policies.

¹⁶ The Law develops prestations and services, especially monetary transfers to contract private aid where its amount depends on economic situation ad degrees of dependency. Actually the development of the law it is problematic because Autonomous Communities are the responsible authorities of its development and Central Goverment of its financing.

live, the responsibilities to assume each one and how have to be reorganized interpersonal relations.

According to available data (Instituto de la Mujer, 2008) parenthood is also a long way that reflects the difficulties of election and the weak development of resources both in family policies and in individual (for women) policies. In Spain the number of children for women has passed from 2,79 in 1976 to 1,13 in 1996 and 1,34 in 2005, being one of the lowest of the world. The mean age for being mother is 30.93 years old in 2005, with a tax of 28.38% of births of unmarried women (around 10% in 1976).

Parenthood policies

The parenthood policies in Spain has been characterised as “ambiguous familiarisation” (Parella, 1999). Ambiguity supposes that that actual legislation in Spain tries to harmonize maternity and employment, but the little development of social services for child caring between 0 and 3 years old and the incompatibility of school schedules with work ones, reinforce the paper of women as mothers and difficult their participation in mercantile sphere; so, maternity seems to be for the State a problem that women should arrange by themselves, which supposes a development of individual arrangements: inactivity during maternity and first years, the aid of neighbours, friends and specially the family, the possibility of access to private day-care centres...

Before 1994 maternity was considered as a common disease incapacity for labour. Actually women can access a to a retributed maternity permission of 16 weeks (6 oblligatories after childbirth) and the father can access to the last 4 weeks in spite of the women.

5.2. Task 2: Impact of Labour Market Flexibility on Young People's professional development in Spain

Martí López (QUIT-UAB)

30/10/2008

First Part: The debate about flexicurity in Spain

In Spain the term flexsecurity has been developed as a debate recently. The main debates related to social market and developed since the '80s are influenced by the interpretations of the labour market situations by social actors and the economic situation. In this sense, the main debate during the decade of 1980 was related to the high unemployment rate, especially for young people, and the measures proposed in order to reduce it. It's related to this debate that we can see in the end of this decade, and specially in the decade of 1990s an increase in the flexibility in types of contract, specially temporaries, that turned out in two ways: a reduction of unemployment during the second part of the 1990 and until the actual increasement; and an enormous increase of temporary rate, that in spite of the reforms with the objective to reduce it it's still around 30% of working population.

The '80s: Flexibility and security spaces of struggle

According to this situation, the debate on flexibility and security in Spain has been developed by divergent ways, usually as spaces of confrontation and disagreement (MTAS, 2005). In the first Workers Statute after democracy, and in a context of strong international economic crisis, the demands of flexibility by firms and employers' organisations encountered, initially, with remarkable resistance, founded on the opposition between flexibility and security. The idea defended in ample social and unions sectors was clear: the exigencies of the flexibility entered in collision with security, notion understood in the essential like the set of guarantees of the workers to accede to a stable labour relation, articulated by means of a contract type and with precise legal definition of the referred labour rights. On the employers' side, the measures of flexibility in the labour market were perceived and required as a necessary condition not only to stimulate the employment creation but also to maintain the existing one.

This divergence supposes that the modification of the legal frame of the work relations tries to search greater flexibility with the extension of the possibilities of temporary employment without causal reasons. The reform of the Statute of the Workers of 1984 represented the culminating moment of that idea that, implicitly, considered that the needed flexibility were conjunctural.

The 90s': The turning decade

In the first years of the decade of 1990, with rates of unemployment up to 30%, the limits of this policy were clear. That situation produces in companies and production sectors non-equitable distribution of flexibility and security. While groups of workers lack the necessary security as a consequence of temporality rates, other groups of workers were in companies without flexibility measures. This situation produced the known segmentation between "insider and outsider workers", a

complicate situation, in special by unions with an inclusive and all workers' representation orientation (Antón, 2006). This fact, together with the progressive loss of the conjunctural situation idea previously defended, determined a change of tendency, articulated fundamentally in a new reform in 1994 of Workers Statute. The reform tried to lead back the excessive resource to the temporary employment and trying to advance on internal flexibility measures (work organisation and job classification); and also the regulation of the dismissal cost began to change, especially in the called by "economic reasons". On a procedural point of view this reform was understood as "negotiated flexibility", not in the reform, that had the unions' opposition (Cachón and Palacio, 1999), but yes in trusting to bargaining actors the concretion of the measures of possible adaptation and flexibility.

In spite of if the effects of the reform were or not the expected ones, the reform of 1994 and the subscription by the social actors, in 1997, of the Intersectorial Agreement for Stability in Employment (Acuerdo Interconfederal para la Estabilidad en el Empleo, AIEE), marked a point of inflexion in the understanding and the concretion of the binomium security and flexibility; the social partners agreed that: "employment is the result of multiple factors, among them, an economic policy that harness it, as well as a frame adapted to greater flexibility, and at same time a greater permanence in employment of workers, thus contributing to competitiveness and good development of enterprises" (AIEE, 1997, "Introduction", own translation). In this way the Agreement introduces economic incentives to open-ended contracts and a new type of open-ended contract with less dismissal costs than the ordinary one¹⁷.

Towards a conciliation between security and flexibility?

It was with the signing in 2002 of the Agreements on Collective bargaining (Acuerdos para la Negociación Colectiva) when the unions and the main employers' organisations expressed a basic consensus that seems to integrate flexibility and security. In an abstract point of view, the social partners consider internal qualitative flexibility a preferable solution to external quantitative flexibility. In particular, is considered that collective bargaining can effectively contribute to flexicurity through a number of ways: the introduction of job classification systems and appropriate training that contribute to functional flexibility; working time flexibility and the anualisation of working time in ways that balance the interests of both workers and companies; the development of lifelong learning as a means to enhance qualifications; skills development; and supporting employability.

Despite such a common understanding, the trade unions remain rather sceptical about the implementation of flexicurity. The unions believe that the competitive strategies of Spanish companies eventually privilege external flexibility as the main adjustment tool, thereby producing precariousness and reducing security. In terms of policy options, the trade unions demand further investment in Active Labour Market Policies (ALMP), which they regard as particularly underdeveloped since most of the financial resources made available in recent years have been allocated to economic incentives for companies that recruit on open-ended employment contracts (EIRO, 2008).

Main measures about flexicurity: a brief review and debate

¹⁷ As Cebrian, Moreno and Toharia (2005) has shown the politics of reducing hiring costs in open-ended contracts aren't producing a more stable situation for the workers' affected; in spite of this they observe that reducing firing costs is equivalent to make open-ended contracts more equal to temporary workers.

<i>Flexibility of pay</i>	<p>More developed after Labour market reform of 1994, which simplifies professional categories and retributive complements, consists in personalize a part of the salary. The 23,8% of collective agreements and 30,8% of firms pacts have variable retributions and at fact they suppose insecurity for less qualified because they are individuals and the facto accompanied with double wage scales.</p> <p>Double wages scales can include a commitment to preserving employment or converting temporary jobs into open-ended employment contracts; however, since they introduce new forms of workforce fragmentation – such as wage instead of contract differentiation – they do not seem to fall within the meaning of flexicurity as a (fully) mutually beneficial mechanism. In fact, such measures could be more aptly considered part of defensive concession bargaining (EIRO, 2008).</p> <p>The policy of variable payment can contribute to improve the productivity, but it seems to motivate and to stimulate to most qualified and not to less qualified. Perhaps it implies greater insecurity for less qualified and the young people, since actually the introduction of the complements "ad personam" is individual and goes de facto accompanied by the creation of one double wage scale.</p>
<i>Working time flexibility</i>	<p>The anualisation of working time is included in most collective agreements, and often entails an increase in annual leave days. Moreover, some 30% of agreements, covering almost 50% of the workforce involved, envisage the possibility to distribute working time irregularly during the year. However, the proposals to foster job creation by using working time flexibility and a reduction of working hours encountered limited support at company level, since such flexibilisation and the irregular distribution of working time is thought to contradict the commitment to work–life balance. Other typical cases of collective bargaining on working time flexibility, especially at company level, include the introduction of both individual and collective working time accounts as a tool to adjust working time schedules to variations in demand. In very few cases, agreements explicitly link working time flexibility and shorter working hours to maintain or create jobs (EIRO, 2008).</p> <p>The change of working time flexibilisation for employment has been revealed as a "smooth adjustment" (Martin Artiles, 2007), adopted to save the employment or to avoid drastic cuts. Some of the strategies of flexibilisation of the working time suppose uncertainty, insecurity in the organization of the daily life of the workers and their family.</p>
<i>Training and job placement services</i>	<p>A significant percentage of collective agreements include provisions aiming to enable a reorganisation of the workforce age profile by combining partial retirement with new recruitment through 'hand-over contracts'. These provisions entail some economic incentives for companies and were included in 18% of agreements in 2006 (EIRO, 2008)</p>
<i>Regulation of contractual flexibility</i>	<p>Clauses on the limitation of temporary employment contracts have been introduced and can be found in 8% of multi-employer agreements covering 11% of the workers involved. Moreover, clauses on the conversion of temporary work contracts into permanent employment contracts were included in 13% of collective agreements in 2006 and involved 25% of the workers covered. At company level, these types of provisions are more common and they specify the number of workers involved in the stabilisation process (EIRO, 2008).</p> <p>The numerical external or quantitative flexibility characterize the</p>

	<p>Spanish labour market. According to Seifert and Tangian (2007) numerical flexibility is represented between temporary contracts and dismissal costs. The government and social actors tries to compensate the instability and flexibility of the enormous unstable rate of employment with direct economic subventions to enterprise, trying to assure labour relation. The effectiveness of this measure has been limited for different factors related with the continuity of economic model (construction and service sector as the motor of the economy), and the instrumental use of the aid by firms (see Cebrián, Moreno and Toharia, 2005).</p> <p>The Spanish employers' considers that this high rate of temporary contracts is derived from the elevate costs of permanent contracts. In this sense, the new permanent contract of 1997 supposes 33 days for year worked in a maximum 24 months in spite of 45 days in 48 months of the ordinary one. In spite of this contract represents an important proportion of new permanent contracts the temporary rate hasn't declined (see: Arranz and García, 2004).</p>
--	--

Second part: How the institutional framework related to educational and training system, to family and to labour market (including relevant policies) contribute (or not) to secure freely chosen life courses/trajectories for young adults?

The actual configurations of social institutions are moving in the direction to make the individual the responsible of its own situation. In this sense, there is the common idea in the society and in the academy that in the so-called post-industrial societies more opportunities appears for a more self-organised life (Périlleux, 2005) but also for more risks, vulnerabilities and possibilities of failure. In these sense, ¿what are the institutional supports in Spain that affect trajectories in the sense to limit or expand the capacity of action?

One of the main dimensions to analyze is *labour market situation*. As is known Spain is characterized by the highest temporary employment rate in the European Union. As has been explained this is a consequence of the flexibilisation of the types of contract and the expansion of temporary employment as a way to reduce the enormous unemployment rate of the beginning of the 80s. As a consequence, since the beginnings of the '90s the proportion of unstable employment has been stabilized above 30%. In last quarter of 2007 for those under 25 years old unstable employment represents 60,3% with an employment rate of 49,6% and with unemployment rate of 17,6%, and for people between 30-34 years old unstable employment represents 33,4% with an employment rate of 80,88% and with unemployment rate of 7,7% (Objovi, 2007). This data shows us that the entry in the labour market is determined by unemployment in finding first job and temporary employment in first job experiences. This situation tends to change and with around 30 years old "young people" has a labour situation similar to other workers (with a 30% of unstable employment!). The extension of temporary employment supposes an extension of insecurity as well as they are related to less qualified and powerful segment of the labour force. If we analyze low-wages the contract status is the main explicative dimension, specifically the hour-prize of temporary contracts, both for men and women, in spite of part-time contract (Camarero and Hidalgo, 2000, quoted in Recio, 2001). In this sense the labour market is creating:

- a- Instability: In 2007 the 60,3% of young workers under 25 years old and the 42,9% of young workers between 25 and 29 have a temporary contract. Just when they are 30 years old the temporary contract takes the same level of the whole labour market.
- b- Unemployment: The usual way of insertion in the labour market for young people is temporality, but we can also take note that the unemployment rate of young people in 2007 under 34 years old was the 11% (13,5% women), in a period of low unemployment.
- c- Inactivity and delay in labour market insertion: Inactivity is also a family strategy for middle and upper class in order to permit young people the continuation of studies and credential accumulation. In this sense, the 21,9% of people under 34 years old is Inactive (27,9% women, related also to male bread winner model) and the 13,5% is studying.
- d- Low wages: The medium annual income in 2006 for people between 18 and 34 years old is 16,528.99 Euros (14,574.71 for women).

In relation to this situation, the unemployment subsidy in Spain has suffered reduction in quantity during last period (specially since 1992) for the increase of the minimum conditions requested in order to receive the subsidy, and this conditions also determine a short duration (López Andreu, 2008); in addition to this labour market policies related to unemployed (and also employed people) are undeveloped as well as the main dimension of the active policies are the incentives to employers to contract with open-ended contracts (EIRO, 2008).

After 1996 we can note the development of different institutional measures (accorded by the main unions and main employers' organisations) trying to reduce the temporary employment. The objective now is the reduction of temporary rate and different measures were developed, being the most important:

- New permanent contract (*contrato para el fomento del empleo indefinido*, 1997) with less dismissal costs than the ordinary, first destined to specific collectives and after to all workers.
- Direct economic subsidies to employers' to contract with a permanent contract certain collectives.
- Legislation trying to reduce the concatenation of temporary contracts and extreme outsourcing and decentralization.

The effects of these policies, in spite of the assumptions of social actors is that the temporary rate hasn't been reduced significantly and empirical analysis has shown that since 1997 open-ended contracts have lower stability, and also that stability isn't linked to firing costs (Cebrián, Moreno, Toharia, 2005). In this sense the Spanish experience suggests that the new so-called open-ended contracts are closer to temporary ones on a more fundamental issue: their duration is shorter than that corresponding to other, "ordinary", open-ended contracts.

A second dimension to analyze is *educational and training system*. It must be assumed that if we are analyzing how institutional framework contribute or not the capacity of action, the educational and training system has to be an institution for assuring in some views equality of opportunities. Under this point of view, a first moment of social selection could be analyzed when the young is 16 years old, and he or she must decide the continuation of the academic career with university as an objective, the incorporation to the labour market, or to the Vocational Training; in this sense the fact is that a second social selection is produced in Vocational training between medium-grade and superior-grade training, the second one with more status related and with the possibility of direct access to University (Merino, 2006).

The Spanish compulsory educational system is considered little efficient in comparative international terms. The early educational abandonment is high and the student performance on reading and mathematical literacy scales is way under most OCDE countries. In number of Science and Technology graduates, Spain is at the end of EU attainment. In the percentage of population between 25 and 64 years of age that follow permanent education it is also quite behind. It is also in a precarious position in Educational Life Expectancy below university level, even if university levels are high. In contrast, the number of graduated women in Spain is remarkable.

Furthermore, a very high proportion of young population does not find a job. Such is the reality that motivates some of them to continue studying while they work part time, while others take the option for precarious and badly paid jobs convinced that go further studying does not solve this first important obstacle in their biography.

The third dimension to analyse is *family institutional framework*. Some authors (García Serrano, Garrido, Toharia, 1999) have characterised the situation of subordination of young people in Spain as “implicit intergenerational pact”, in the sense that young people accept a situation of temporality and low wages because of the support of the family (specially the parents) as source of monetary and non-monetary resources. In spite of now this separation in the labour market between young and adult workers couldn't be real, this expression shows the role of the family as an institution that both reinforce and reduce peoples' capacities.

They reinforce because families with enough monetary resources can permit a young the delaying of the insertion in labour market and being full-time in training and formation in order to accede to a desired job, better conditions... or just a life style. But they also reduces capacities because of the nature of the familiar model reduces possibilities in the labour market for young people and especially for women.

If we want to analyze the capacity of action for young adult, family legislation in Spain is based in “marriage institution” (in spite of now civil unions tends to have the same rights), the economic subsidies are means-tested and selective, based in economic and familiar situation (numerous and monoparental families) (Parella, 1999). Finally social services are also subsidiaries and insufficient and based in a family and women caring model, in spite of the Law on Dependency and Autonomy (2006); this Law develops prestations and services, especially monetary transfers to contract private aid where its amount depends on economic situation ad degrees of dependency. Actually the development of the law it is problematic because Autonomous Communities are the responsible authorities of its development and Central Government of its financing.

Before 1994 maternity was considered as a common disease incapacity for labour. Actually women can access a to a paid maternity permit of 16 weeks (6 obligatory after childbirth) and the father can access to the last 4 weeks in spite of the women.

References:

Acuerdo Interconfederal para la Estabilidad en el Empleo (AIEE, 1997).

Alberdi, I. (1999): *La nueva familia española*. Madrid: Taurus.

Antón, A. (2006): *El devenir del sindicalismo y la cuestión juvenil*, Madrid: Talasa.

Arranz, J.M. and García-Serrano, C. (2004): “¿Qué ha sucedido con la estabilidad del empleo en España? Un análisis desagregado con datos de la EPA: 1987-2003” in Working Papers. Instituto de Estudios Fiscales.

Cachón, L. and Palacio, J. (1999): “Política de empleo en España desde el ingreso en la UE” in Miguélez, F. And Prieto, C. (dir. and coord): *Las relaciones de empleo en España*. Siglo XXI: Madrid

Cebrián, I., Moreno, G. and Toharia, L. (2005): “Are Spanish open-ended contracts permanent? Duration and trajectory analyses”. Paper presented at VI *Jornadas de Economía Laboral*, Alacant, 11-13 of July 2005.

CES (2005): *Memoria sobre la situación socioeconómica y laboral de España*. Madrid: Consejo Económico y Social.

CCOO (2007): “Breves comentarios sobre la situación de la vivienda en España y el plan del gobierno”, available the 26/07/2008 at: <http://www.ccoo.es/comunes/temp/recursos/1/39847.pdf>

European Industrial Relations Observatory (EIRO, 2008): *Flexicurity and Industrial Relations*. Available the 22/10/2008 on:

<http://www.eurofound.europa.eu/eiro/studies/tn0803038s/tn0803038s.htm>

Fundación Tripartita (2008): Estadísticas, available the 25/08/2008 at: <http://www.fundaciontripartita.org/index.asp?MP=6&MS=28&MN=2&TR=C&IDR=306>

EUROSTAT (1997): *Panel de Hogares de la Unión Europea*. Luxembourg.

Fundación Tripartita (2008): *Informe de actividades 2006*. Madrid: Fundación Tripartita para la Formación en el Empleo.

García Serrano, C; Garrido, L. And Toharia, L. (1999): “Empleo y paro en España. Algunas cuestiones candentes” in Miguélez, F. And Prieto, C. (dir. and coord): *Las relaciones de empleo en España*. Siglo XXI: Madrid.

Gaviria, Sandra (2002): “Retener a la juventud o invitarla a abandonar la casa familiar. Análisis de España y Francia”. *Estudios de Juventud*, 58: 1-6.

Gentile, Alessandro (2006): *Una precaria transición a la edad adulta: inestabilidad laboral y límites del régimen familista del Estado del Bienestar. El caso de España*. Documento de Trabajo 06-02. Unidad de Políticas Comparadas (UPC), Consejo Superior de Investigaciones Científicas.

López Andreu, M (2008): “La reforma de la prestació d’atur a Espanya en el marc de la Estratègia Europea d’Ocupació” in *Papers. Revista de Sociologia*, nº 88. Pp

Martin Artiles, A. (2007): “Work organisation and reorganisation of working time: time account management” in Garibaldi, F.; Telljohann: *New forms of work organisation and Industrial relations in Southern Europe. Labour education and society*, nº 8. Pp 169-183.

Merino, F. (2006): “¿Dos o tres itinerarios de formación profesional? Balance y situación actual en España” a *Revista Europea de Formación Profesional*, nº 37.

Ministerio de Trabajo y Asuntos Sociales (MTAS, 2005): *Más y mejor empleo en un nuevo escenario socioeconómico: por una flexibilidad y seguridad laboral efectivas*. MTAS: Madrid.

Moreno, L. (2000): *Ciudadanos precarios. La última red de protección social*. Barcelona: Ariel.

OBJOVI (2007): “Observatorio joven de la vivienda en España. 4º Trimestre 2007”, nº 21, available the 22/8/2008 at:
[http://www.cje.org/C13/C18/OBJOVI%2021%20\(cuarto%20trimestre%20de/Document%20Library/01.%20Espa%C3%B1aPROV.pdf](http://www.cje.org/C13/C18/OBJOVI%2021%20(cuarto%20trimestre%20de/Document%20Library/01.%20Espa%C3%B1aPROV.pdf)

Parella, S. (1999): “Las políticas familiares” in Adelantado, J. (coord.): *Cambios en el Estado del Bienestar*. Barcelona: Icaria.

Recio, A. (2001): “Una nota sobre bajos salarios en España”, in *Cuadernos de Relaciones Laborales*, nº 18.

Seifert, H.; Tangian, A. (2007): “Obstacles for flexicurity: Precariousness of flexible work”, WSI-Hans Boeckler Stiftung, Working paper, July 2007.