

The Challenge of Youth Employment in the Perspective of School-to-Work Transition*

1. Rethinking the Employment of Young People in the Global Market

In a comparative perspective, access to the labour market on the part of young people is a complex issue, and for some time now it has attracted the interest of labour market specialists.¹ In an awareness of this complexity, that is reflected in the relative lack of convincing proposals, even of an experimental nature, on the part of the academic community, and labour law scholars in particular, the analysis put forward in the present paper focuses on certain aspects of youth employment that are only apparently contradictory, not to say paradoxical.² These aspects are still in need of in-depth examination, at least in an international context and in the global workplace perspective, reflecting not only the various levels of economic and social development,³ but also the

* *The present contribution was previously published in Manzella, P., and L. Rustico. 2011. Productivity, Investment in Human Capital and the Challenge of Youth Employment. Cambridge: Cambridge Scholars Publishing.*

¹ See, recently, ILO. 2010b. *Global Employment Trends for Youth 2010*. Geneva: ILO; OECD. 2010. *Economic Survey of China: a Labour Market in Transition*. Paris: OECD. Among the other authors, Bell, D.N.F., and D. G. Blanchflower. 2010. "Youth Unemployment: Déjà Vu?" IZA Discussion Paper No. 4705. Bonn: IZA.

² Or even "deeply ironic", as argued by the International Labour Organization. 2005a. "Youth Employment: From a National Challenge to a Global Development Goal", Background Paper contributed by the ILO to the G8 Labour and Employment Ministers' Conference, London, United Kingdom, 10-11 March 2005.

³ Since the Industrial Revolution. Lansky, M. 1997. "Child Labour: How the Challenge is Being met", *International Labour Review* 136, No. 2. Malmberg- Heimonen, I., and I. Jukunen. 2006. "Out of Unemployment? A Comparative Analysis of the Risk and

stage of development of labour law and industrial relations in the various countries considered in this study. Economists themselves show an increasing interest in youth employment, and in labour market dynamics more generally, as confirmed by the 2010 Nobel Prize that has been awarded to three economists who investigated labour market frictions, namely the imperfect matching between labour demand and supply.⁴

The most advanced economies are characterised, in general, by a progressive raising of the age at which young people enter the labour market, giving rise to significant social and economic problems in a context of overall ageing of the population. The high level of academic attainment and well-being is in some cases accompanied by a significant level of graduate unemployment, together with difficulties on the part of enterprises in recruiting employees with the right skills for positions that tend to be rejected by young people among the local population. The same goes for the management of small or micro enterprises and for the numerous trades taken up by immigrant workers who are willing to learn and hand down trades that are essential for the national economy and that may now be seen as a kind of “endangered species”. On the other hand, the economies and societies of the developing countries are characterised by the opposite trend, that may appear to be contradictory or paradoxical, bringing to mind the early stages of the Industrial Revolution and the emergence of modern labour law, marked by the large-scale and often brutal exploitation of the young workforce and by child labour.⁵ Extremely

Opportunities Longer-term Unemployed Immigrant Youth Face when Entering the labour Market”, *Journal of Youth Studies* 9, No. 5: 575-592.

⁴ Diamond, P.A., Massachusetts Institute of Technology, Cambridge, MA, USA, Dale T. Mortensen, Northwestern University, Evanston, IL, USA, Aarhus University, Denmark, and Christopher A. Pissarides, London School of Economics and Political Science, UK. 2011. The Prize in Economic Sciences 2010 - Press Release. http://nobelprize.org/nobel_prizes/economics/laureates/2010/press.html. Their theory on markets with search frictions shows how “unemployment, job vacancies, and wages are affected by regulation and economic policy. This may refer to benefit levels in unemployment insurance or rules in regard to hiring and firing. In fact, on many markets, buyers and sellers do not always make contact with one another immediately. This concerns, for example, employers who are looking for employees and workers who are trying to find jobs. Since the search process requires time and resources, it creates frictions in the market. On such search markets, demands of some buyers will not be met, while some sellers cannot sell as much as they would. Simultaneously, there are both job vacancies and unemployment on the labour market. One conclusion is that more generous unemployment benefits give rise to higher unemployment and longer search times”. The theory has been applied to many other areas in addition to the labour market.

⁵ The phenomenon of child labour exists nonetheless within developed countries as well, although in a lesser extent.

high levels of unemployment and underemployment lead to large-scale migrations towards the most developed regions⁶ that are characterised by a declining workforce, low birth rates, and an ageing population, giving rise to the risk of impoverishing the human capital in the country of origin.⁷

The question of youth employment has therefore become an extremely urgent matter which should be a priority on the agenda of political decision-makers and trade union leaders in all the regions of the world, including the most economically advanced ones. This holds especially true if one considers the financial downturn that affected the global economies during 2008/2009, with an impact particularly on younger people. In this connection, significant developments have been recorded in the countries of the Organisation for Economic Cooperation and Development (OECD). In these countries, although the younger age groups are less numerous and more highly educated than previous generations, there is increasing anxiety about their employment prospects, reflecting the alarming labour market statistics concerning young people in various countries, though these indicators are not necessarily the most appropriate⁸ to explain unemployment (Fig. 1) and in particular long-term unemployment, among young people (Fig. 2). In addition, the issue of segmented labour markets or precarious employment, in the sense of work of a temporary nature and of low quality that is available to young people,⁹ is of central importance in the domestic debate in many countries, with an impact on election campaigns both at national and local level.

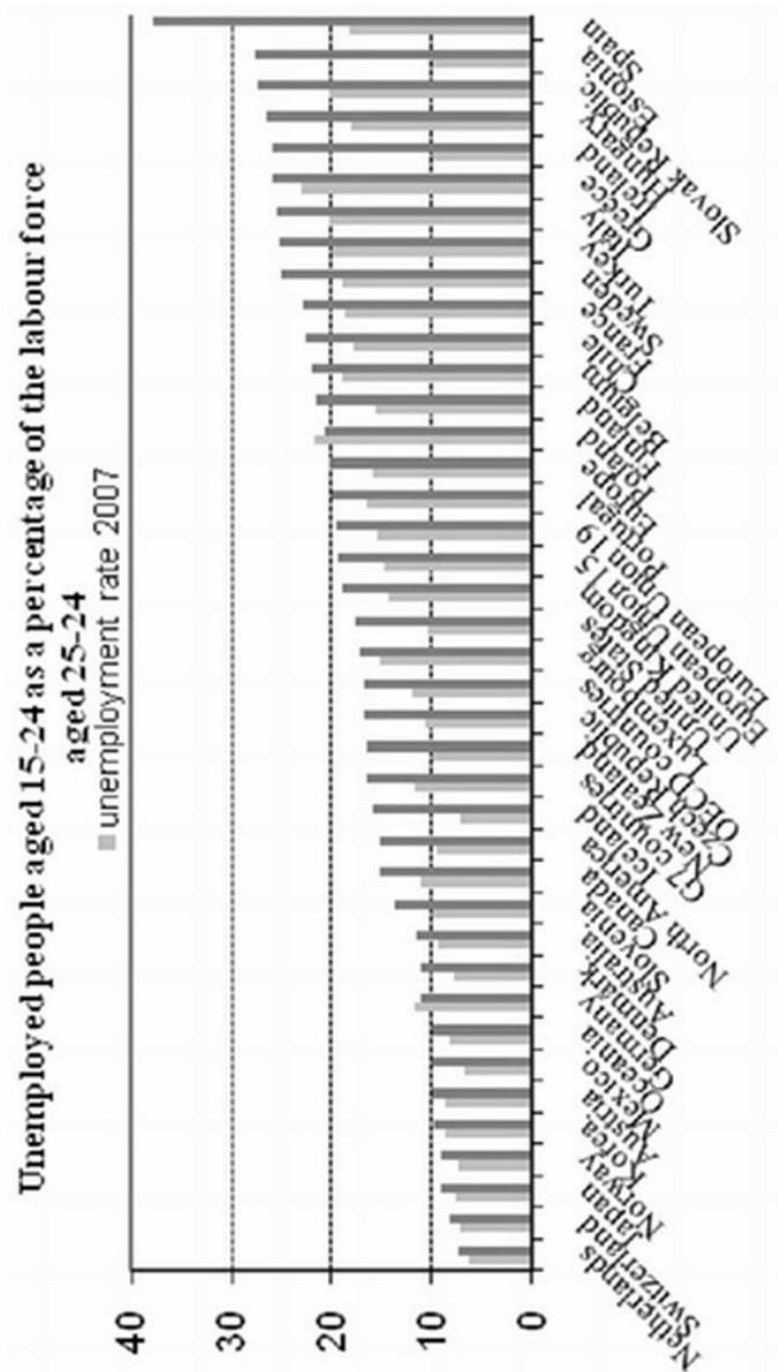
⁶ United Nations. 2007. *World Youth Report 2007*. New York: Department of Economic and Social Affairs, United Nations.

⁷ Docquier, F. 2006. "Brain Drain and Inequality Across Nation", IZA Discussion Paper No. 2440. Bonn: IZA.

⁸ See, for instance, Marchand, O. 1999. "Youth Unemployment in OECD Countries: How Can the Disparities Be Explained?", OECD Preparing Youth for the 21st Century – The Transition from Education to the labour Market, Paris: OECD Publishing, pp. 89-100, who argues that "the unemployment rate becomes less and less appropriate to describe their situation as the length of time they spent in school increases and the average age at which they start working increases". In similar vein, see Rees, A. 1996. "An Essay on Youth Joblessness", *Journal of Economic Literature* 24, No. 2, pp. 613-28, who suggests using the parameter of joblessness instead of unemployment – undoubtedly more reliable, though not so easy to use in comparative terms – as the main indicator of youth employment problems.

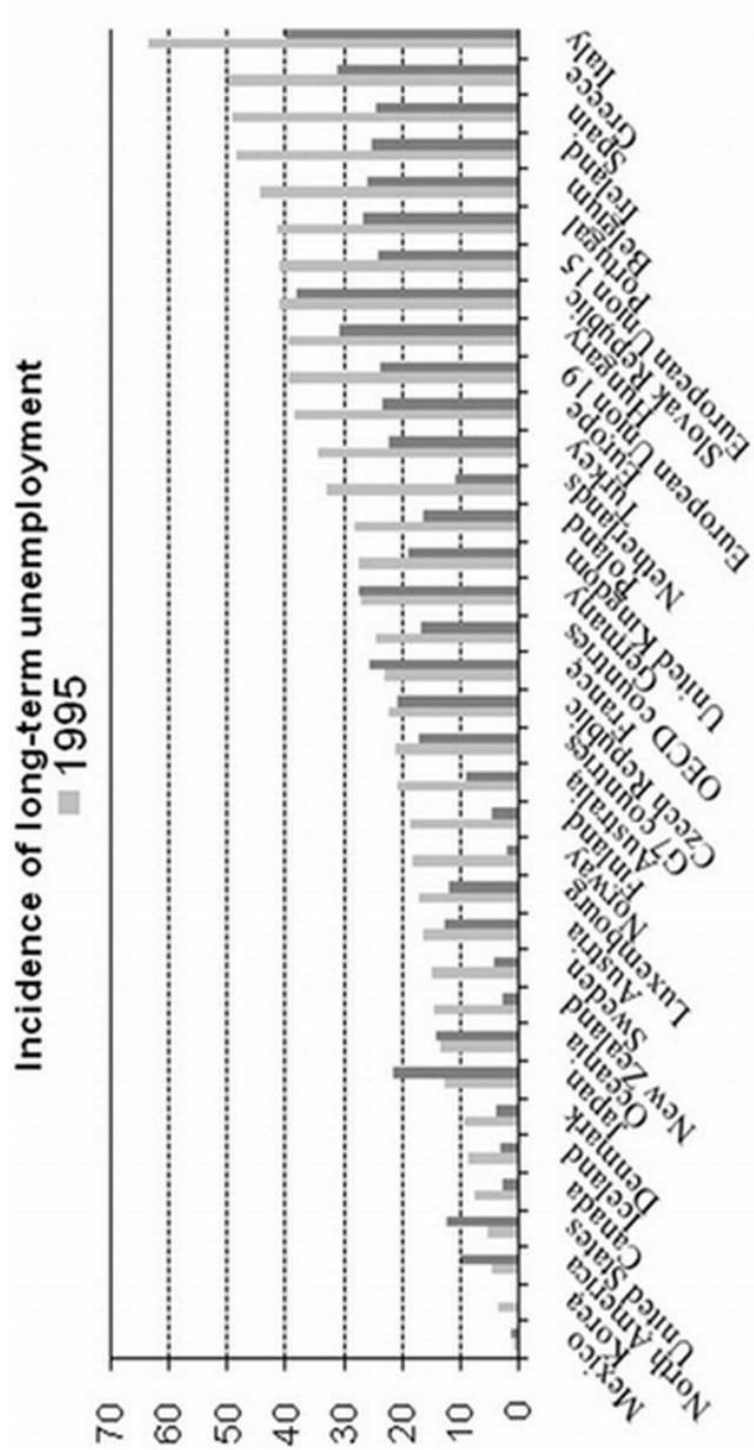
⁹ Booth, A. L., M. Francesconi, and J. Frank. 2002. "Temporary Jobs: Stepping Stones Or Dead Ends?", *The Economic Journal* 112, No.480. Kalleberg, A. L. 2000. "Non standard Employment Relations: Part-Time, Temporary and Contract Work", *Annual Review of Sociology*, p. 26.

Fig. 1. Youth Unemployment (age range 15-24 years) in a Number of OECD Countries



Source: OECD database on Labour Force Statistics

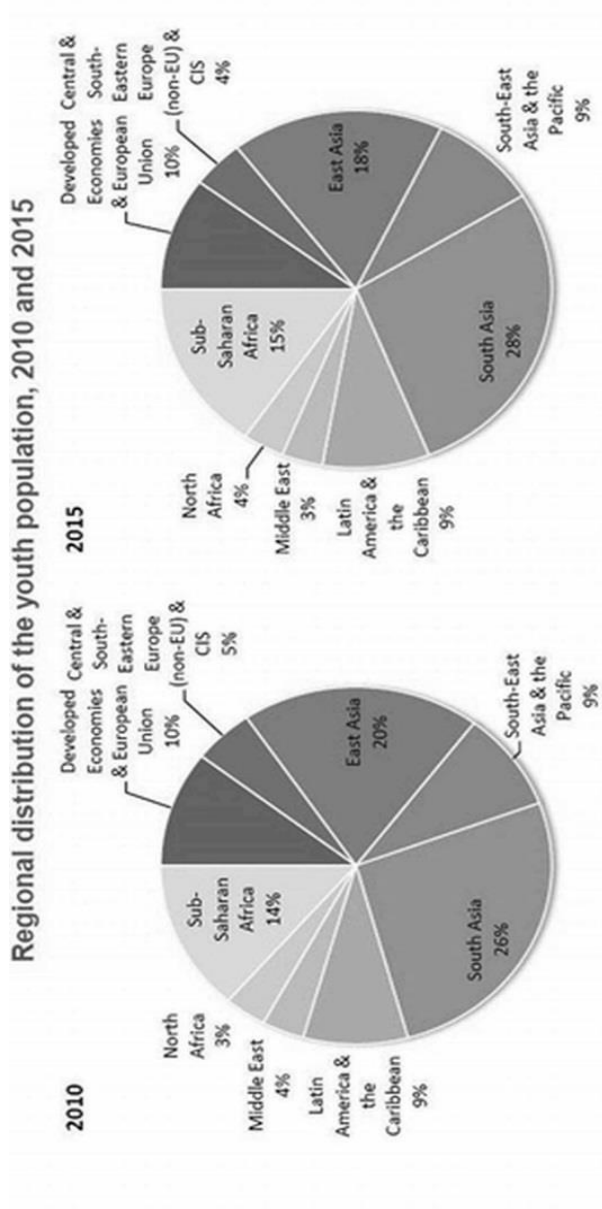
Fig. 2. Incidence of Long-term Unemployment among Youth (1995-2009)



Source: OECD database on Labour Force Statistics

The problem of youth unemployment takes a totally different form in other regions of the world, particularly Sub-Saharan Africa and South Asia, where the extremely high rates of poverty and low income levels are accompanied by a strong presence of young people, who account for 80% of the young people of the world (Fig. 3).

Fig. 3. Half of the Global Youth Population Live in Low-income Countries



Source: ILO – Regional Distribution of the Youth population, 2010 and 2015

In the African countries, in particular, it is well known¹⁰ that youth unemployment is closely linked with high levels of poverty, reflecting the apparently contradictory situation in which a low level of demand co-exists with the highest participation rates for young people in the world, with high rates of employment in the informal sector, and all the negative consequences that ensue in terms of unemployment, underemployment, lack of education, training and vocational skills.

The global dimension of the problem, arising from the irreversible interdependence between the economies of the world, is reflected in the migration of young people leaving their country of origin to seek better training and employment opportunities abroad (at times unsuccessfully) in what has been called the “battle for brains”¹¹ – which led analysts to examine the possibility of taking countermeasures on a transnational scale.

Significant steps have been taken in this direction by the International Labour Organization, the United Nations and the World Bank:¹² starting from a comparative study, they have gradually adopted measures to coordinate employment policies designed for young people. These initiatives, such as the Youth Employment Programme of the International Labour Organization, adopt measures of the type implemented in connection with the Employment Strategy of the European Union since the end of the 1990s, albeit with limited success. In particular, the approach is that of the Open Method of Coordination (OMC), consisting of the definition of common guidelines by a supranational body for the Member States, comparing the measures adopted by the various countries, providing for a periodic assessment aimed at identifying best practices, and where possible, their extension to other national settings (benchmarking).

However, the EU experience, together with the pressures exerted by the global economy on national systems, highlights the limits of an approach in which regulatory powers remain in the hands of the nation states, albeit with a certain amount of transnational coordination (that may be more or less strict), without calling this traditional function into question. The attention of institutions and scholars dealing with the legislative implications of economic

¹⁰ International Labour Organization. 2006a. *Regional Labour Market Trends for Youth: Africa*, ILO Youth Employment Programme, Geneva: ILO.

¹¹ Blanpain, R. 2008. “The End of Labour Law?”, *The Global Labour Market. From Globalization to Flexicurity*, eds. Blanpain, R., and M. Tiraboschi, The Hague: Kluwer Law International.

¹² Youth Employment Network, Millennium Development, *Global Employment Trends for Youth*.

internationalisation is now shifting from the external sphere of state sovereignty (the soft-law influence of transnational institutions) towards the internal sphere, concerning the national institutions, the actors in the industrial relations system, and the nature of regulatory provisions, based on the idea that in the context of globalisation, effective labour market policies require profound changes in terms of legal practice and fundamental legal principles.

2. Limits of the “Traditional” Approach to Labour Law and Shortcomings in Relevant Legislation. Investing in Human Capital and Increasing Productivity as an Alternative Perspective

When labour law and industrial relations scholars lose sight of the fundamental issues of labour productivity, investment in human resources, and the links between education, training and the labour market, then their main focus is on a formal, conceptual system that is in many cases largely self-referential. As a result, they can make only a limited contribution to labour market institutions and the work of the social partners (both national and international) in their efforts to implement an organic action plan, taking account of the insights provided by the economic disciplines relating to the improvement of employment conditions for young people.¹³

Accordingly, it is possible to point to a plethora of international measures – such as the prohibition of child labour,¹⁴ measures relating to decent and productive work,¹⁵ and the definition of employment contracts as self-employment or salaried employment¹⁶ – that are of great symbolic value but largely ineffective in terms of their impact on the real economy, both in the

¹³ International Labour Organization. 2010b. *Global Employment Trends for Youth 2010*. Geneva: ILO.

¹⁴ International Labour Organization. 1999. Convention C182, *Concerning the Prohibition and Immediate Action for the Elimination of the Worst Forms of Child Labour*. Geneva: ILO.

¹⁵ See the several references to the concept of a “full, productive and freely chosen employment” included in the International Labour Organization Recommendations R122, *Employment Policy*, 1964; R169, *Employment Policy (Supplementary Provisions)*, 1984; R195, *Human Resources Development*, 2004.

¹⁶ See the Green Paper released by the European Commission. 2006. *Modernising Labour Law to Meet the Challenges of the 21st Century*, COM(2006)708final. Brussels: European Commission, which puts into question the persistent relevance of such a distinction. For an outline of the debate developed throughout Europe on the issue see European Commission. 2007. *Outcome of the Public Consultation on the Commission’s Green Paper “Modernising Labour Law to Meet the Challenges of the 21st Century”*, SEC(2007)1373. Brussels: European Commission.

advanced countries (that are characterised by high levels of employment protection) and in the developing countries (due to the brute force of circumstances and objective economic conditions).

An important point that could be made in this connection, with all the necessary provisos, is that employment safeguards and standards that are imposed in a mechanical way on developing countries may act as a brake on their economic growth to the benefit of the more developed regions of the globe which, in the course of their development over the centuries, have benefited from the implementation of modern labour law. As a result, though it may appear to be a paradox, bearing in mind the historical role played by labour law, it could be argued that standards of international competition that have been set are disadvantageous for enterprises in the less developed economies.

A paradigmatic case in this connection is that of the countries of East Asia, that have achieved record growth in recent years with the rapid expansion of the Chinese economy. Here, as underlined by the report of the International Labour Organization on *Global Employment Trends 2010*, the key cause of concern for the future is the development of human capital and labour productivity and the creation of employment with a high level of vocational skills.

Further, it is crucial to prepare young people for the future through investment in their human capital, as low-cost labour will not continue to be the region's comparable advantage.¹⁷

The arguments put forward so far should contain all the elements to provide a general interpretation of the problem of youth employment, as indicated in the introduction. The analysis is based on a particular interpretation of the concept of "decent work" that of "employment opportunity", in the sense of employability, linked to the development of human capital.¹⁸

Of the four dimensions of the concept, as identified by the International Labour Organization (security, opportunities, basic workers' rights and representation),¹⁹ this one appears to be the most appropriate in the context of

¹⁷ See International Labour Organization. 2010a. *Global Employment Trends January 2010*. Geneva: ILO.

¹⁸ See ILO. 2005c. *Resolution Concerning Youth Employment*. Geneva: ILO. The concept of employability "encompasses the skills, knowledge and competencies that enhance a worker's ability to secure and retain a job, progress at work and cope with change, secure another job if he/she so wishes or has been laid off, and enter more easily into the labour market at different periods of the life cycle".

¹⁹ ILO. 2006b. *World Employment Report 2004/2005*. Geneva: ILO, chap. 2: "What society can achieve is to ensure that the worker has a smoother transition and protection in the form of

the global economy, in that it is the concept that is relevant to all the regions of the world, regardless of their specific characteristics. Whereas the imbalances between post-industrial and developing countries mean that it is unlikely that industrial relations can be coordinated on a global scale for instance in terms of trade union representation and fundamental rights (such as working hours and pay), for which it seems difficult to construct a shared platform, also in consideration of the extremely divergent levels of economic and social development, the problem of employment opportunities is a matter of common interest, as we have argued, for all the regions of the world. This includes the regions where there is a lack of skilled labour, engaged in the “battle for brains”, and those with a surplus of young people which, in a global perspective, can transform the dramatic problem of youth unemployment into an unexpected resource for growth and development.

The argument put forward here is in keeping with the widely supported idea that the aim of “decent work for all” can only be achieved by raising productivity.²⁰ Studies on the relationship between productivity and the quality of employment, in line with the various stages of development that countries around the globe go through, have highlighted the fact that to achieve significant results in terms of long-term growth it may be necessary in the early stages of development to give lower priority to certain factors concerning quality employment.

In some cases, improvements in productivity may have detrimental effects on employment quality, especially in relation to fundamental rights. As shown in recent years by the Chinese experience,²¹ the initial phases of development are characterised by factors that provide a competitive advantage, even when this means low labour costs and a lack of attention to labour protection. In these early stages, employment safeguards consist above all of the mental and physical qualities required to deal with the “turbulence” encountered on the way towards economic stability.

security, opportunities, basic workers’ rights and representation, the four main dimensions of decent work”.

²⁰ ILO. 2006b. *World Employment Report 2004/2005*. Geneva: ILO. Preface: “Productive employment is the economic foundation of decent work”.

²¹ OECD. 2010b. *Economic Survey of China: a Labour Market in Transition*. Paris: OECD. Directorate-General for Employment, Social Affairs and Equal Opportunities, European Commission, The Institute of Population and Labor Economics, and Chinese Academy of Social Sciences. 2010. *New Skills for New Jobs: China and the EU. Shared Labour Market Experiences to Inform the Harmonious and Sustainable Society of the Future*. Brussels: European Commission.

Employment opportunities become therefore a priority, rather than a feature of decent work.

Due consideration should be given to the argument that the imposition of strict employment protection measures in the early stages of development of the economy may result in the competitive advantage shifting to the more developed economies, that in an earlier phase went through their own initial stages of development with low levels of employment safeguards, comparable to developing countries today.

According to this argument, the introduction of a high level of employment safeguards would be detrimental to the interests of workers in developing countries in the global economy.

With a view to considering this argument more fully, and to transfer it to a global economic context beyond national boundaries, reference may be made to the classic study *Industrial Democracy* by Sidney and Beatrice Webb (1897), in particular as regards their discussion of standard regulations for labour, with the preferences of individual workers and employers being subject to a “common rule” in the interest of both parties and the nation as a whole. The Webbs advocated the introduction of such regulation not through legislative intervention, but as an alternative to state intervention in employment relations, by means of a self-regulation of the market, based on collective bargaining as the essential method. In *Industrial Democracy* there are continual references to the regulatory role of collective bargaining, which is seen not as a mere economic tool for determining labour conditions, but as a social instrument aimed at furthering the “interests of Industrial Peace”,²² and promoting “the selection of the most efficient factors of production, whether capital, brains, or labour”; preventing the deterioration of the “capital stock of the nation”; stimulating “the invention and adoption of new processes of manufactures”, while eliminating from the market “incompetent or old-fashioned employers”, for the purposes of the “nation’s productive efficiency” or “industrial efficiency”. Just as emblematic are the pages of *Industrial Democracy* dedicated to “industrial parasitism”, showing their strong faith in market self-regulation. On the one hand, they argue, the more extensive and effective the mechanism of the “common rule”, the greater the proportion of the population protected from the devastating effects of speculation on the labour of others, whereas on the other hand, in cases in which minimum conditions for the use of the labour force are stable and standardised,

²² For this and the following quotations, see Webb, B., and S. Webb. 1897 and 1926. *Industrial Democracy*. London: Longmans, respectively p. 218, 703, 751, 724,728, 732, 766-767, 759, 703.

qualitative standards will tend to improve, both for labour and the system of production as a whole, thus eliminating from the market parasitic competitors who survive solely by speculating on the cost of labour.

In considering the fundamental role of labour law in regulating the competition between enterprises, it is evident that a mechanical and historically decontextualised application of employment protection measures would have a negative impact on developing economies and ultimately also on the workers themselves, who would be expelled from the labour market.²³

The creation of employment opportunities, linked to the improvement of human capital, may serve as the key objective for the governance of the intermediate phases of economic development. It may be said that a close match between an increase in productivity and an increase in decent employment can be achieved only in the medium to long term. In the intermediate phases, an increase in productivity, with a shift away from labour-intensive systems of production, can result in a loss of jobs (particularly in low-skilled occupations). Investment in human capital in these circumstances is needed to cope with a fall in employment levels that accompanies the increase in productivity, enabling workers to acquire the skills needed for occupational mobility, both internal and external.

3. Global Perspectives for Future Actions

In the context of the global labour market, an interdisciplinary perspective can turn the apparently insoluble problems of each country into a great opportunity for development and growth in what is by no means a zero-sum game, provided that an integrated and cross-disciplinary approach is adopted. As rightly argued by the International Labour Organization:

The outflow of young migrants to the developed world presents a number of benefits for both receiving and sending countries. As regards the former, there is evidence that migrants have only slight negative effects on the wages of nationals, and tend to pay more taxes than they receive in tax-supported services. Conversely, little evidence exists that migration leads to a displacement of nationals in employment. Given the current demographic change, young immigrants are also likely to become part of the solution to the employment and welfare problems raised by aging in developed economies.

²³ A different argument could be developed for those multinational corporations which settle in under developed areas only to start activities intended for other markets.

Young migrants can also be a source of funding for development in their countries of origin. Their remittances help cover family expenses and investment for job creation. When they return, they bring back human, financial and social capital, thereby contributing to the development of their home countries.²⁴

The present paper, summarising the initial findings of a wider research project currently under way – resulting in a number of conferences and carried out by the International School of Higher Education in Labour and Industrial Relations set up by ADAPT (www.adapt.it) – promotes a global approach to analyse this phenomenon as the possible basis for rethinking institutional strategies for the labour market, and in particular the role of the actors in the industrial relations system. This paper will argue that the main limits to the “traditional” approach to labour law are the result of a “static” conception of labour markets on a global scale, whereas forward planning, in the sense of a complete rethinking of the transition and links between education and the world of work on the part of institutions and the social partners, could provide a dynamic contribution to achieve a better and more sustainable balance on a global scale.

For this purpose, it may be useful to adopt a school-to-work transition perspective, a concept that has until now been relegated to a secondary role by industrial relations and labour law scholars. This paper considers the reasons for the lack of attention that an approach of this kind has received. First of all, employment policies adopted so far have had a merely local and/or national application, whereas bridging the gap between the wealthiest and the poorest regions of the world requires a global approach, by strengthening the link between education and training, on the one hand, and the labour market, on the other. The school-to-work transition perspective, applied to industrial relations and labour law, seems particularly well suited to develop more effective policies and policy evaluation tools.

This approach makes it possible to actively involve the various actors dealing with productivity issues, investment in human capital, youth unemployment and underemployment. When applying the school-to-work transition concept to the legal and industrial relations methods in a comparative framework, it becomes clear that human capital improvement, work productivity and effective measures to deal with the problem of youth employment can be

²⁴ International Labour Organization. 2005a. “Youth Employment: From a National Challenge to a Global Development Goal”, Background Paper contributed by the ILO to the G8 Labour and Employment Ministers’ Conference, London, United Kingdom, 10-11 March 2005.

achieved only if policies are designed to cover the period before entering the labour market, i.e. the education and training phase. In general, labour market policies focus mainly on a given labour force, preventing the solution of the structural problems of youth employment, and particularly their impact on the gap between wealthy and poor regions. On the other hand, a method enabling us to tackle such problems at an earlier stage, dealing with how to design education and training to respond to the demands of the global labour market, might contribute to solutions for the governance of international flows of labour.

This strand of research will only develop its full potential if it succeeds in adopting a holistic vision linking the worlds of education and employment, moving beyond a traditional conception of labour law provisions and industrial relations, and education and training systems, that have until now been considered as two separate spheres, to be studied by specialised research groups who are separate from and not in communication with each other. A modern vision of the relations between education and training on the one hand, and socio-economic development on the other, leads to the development of policies and programmes that take account not only of the demand for labour, but also of the quality of the labour supply.

It is only by means of integration between education and training, and the world of work, that it will be possible to deal in global and pragmatic terms with the problem of youth employment and promote a balanced development of human capital in all the regions of the world. It is undoubtedly the case that the availability of adequate education and vocational training is a key factor in the allocation of resources on the part of investors, and as a result of the quality of employment. Investors do not set up businesses of “good quality” (i.e. not aiming merely to exploit low-cost labour) in regions where there is a lack of personnel with the skills required to run the business. This means that the response to the problem of youth employment must be based on the construction of a system of education and vocational training. These are the real investment assets that generate income, productivity, development, social mobility and, last but not least, decent work.

In the new economy, the main source of the wealth of nations is their endowment with human capital. Indeed, human capital is the key factor for growth and development, and the engine for change. Compared to the European countries and the other western nations with a rapidly ageing population, developing countries and some of the poorest economies in the world are endowed with vast wealth. Therefore, in order to avoid wasting this precious resource, it is necessary to go well beyond a legal regulation that may

or may not produce results, undertaking a reform of education and training systems on a global scale that should be entrusted to the social partners. This appears to be possible only if we are prepared to rethink the role and functions of industrial relations, in order to make a contribution to the true modernisation of education and training, closing the traditional gap between school and work.

In this connection, the report by the International Labour Organization on Global Employment Trends for Youth, published in 2010²⁵ provides supporting evidence for this argument. In this report, the ILO underlined that the indicators for youth employment currently available are sufficient to provide an analytical framework on the condition of young people on the labour market in the various regions of the world. In the words of the Report:

for further expansion of the youth employment knowledge base, the need is not one of developing new indicators, but rather finding a way to make use of the indicators that already exist (labour force participation rates, employment ratios, unemployment rates, employment by status and sector, long-term unemployment, underemployment, hours of work and poverty).

4. A Different Legal, Institutional and Industrial Relations Perspective: Forward Planning and the School-to-work Transition Based on a Modern Conception of Education and Vocational Training

Recent studies have shown that in the debate on deregulation, following on from major developments in the English-speaking countries and from the authoritative recommendations over the past decade of the OECD,²⁶ there is a tendency to confuse employment policies and labour policies that are taken to

²⁵ ILO. 2005b. *Resolution on Decent Work for Youth in Africa and the ILO Response*, Document GB289/5. Geneva: ILO.

²⁶ Relying upon the Job Studies started since 1992 – which tended to show a relationship between high levels of unemployment and high standards of work protection – the OECD has set up an action programme (JobStrategy), addressed to governments and social partners, founded on ten recommendations. Among those, particular reference should be made to the labour market deregulation for purposes of job creation. Along with the yearly Employment Outlooks, see OECD. 1994. *The OECD Job Study: Evidence and Explanations*, Paris: OECD. See also OECD. 1997. *Implementing the OECD Jobs Strategy: Lessons from Member Countries*. Paris: OECD, and OECD. 1999b. *Implementing the OECD Job Strategy: Assessing Performance and Policy*. Paris: OECD.

be one and the same thing.²⁷ Once the two concepts are confused, there appears to be an inevitable connection between high levels of unemployment (especially youth unemployment) and labour protection. In the same vein, simplistic claims are made that the opposite is also the case: lower unemployment levels in the United States, the United Kingdom, Australia and New Zealand are usually explained in the light of neo-liberal ideas.

The expressions “employment policies” and “labour policies” actually refer to two profoundly different concepts. Employment policies are intended to increase employment levels in a given socio-economic system, and to achieve this objective, they operate at another level in relation to the regulation of labour, by means of measures such as tax and contributions relief, credit and capital markets, investment in infrastructure, the reform of public spending and, of particular interest for the present study, investment in human capital and the modernisation of education and training systems.

Labour policies, on the other hand, are intended to promote jobs for certain groups (the long-term unemployed, those not in employment, workers lacking the skills required by the market, immigrants, women, young people) by means of employment services, schemes providing for alternation between training and work, the elimination of barriers to access to and exit from the labour market, as well as the various kinds of job creation mentioned above. As a result, they only have a marginal impact on total employment levels, while producing more significant effects on the duration and above all on the distribution of unemployment among different groups.

The most recent empirical studies have provided econometric evidence showing the lack of a clear correlation, in terms of cause and effect, between levels of employment protection and levels of unemployment. The OECD,²⁸ which over the past decade has advocated a neo-liberal approach to labour market policy, has come to the same conclusion that many researchers have also reached²⁹ in that the regulation of employment relations and the introduction of greater flexibility in the regulation of the workforce can, in the best possible case, contribute to creating the preconditions required to make employment policy effective.

²⁷ Biagi, M., and M. Tiraboschi. 2000. “The Role of Labour Law in Job Creation Policies: an Italian Perspective”, *Job Creation and Labour Law*, ed. Biagi, M., The Hague: Kluwer Law International, 179-193.

²⁸ OECD. 1999b. *Implementing the OECD Job Strategy: Assessing Performance and Policy*. Paris: OECD, especially chapter 2: Employment Protection and Labour Market Performance.

²⁹ Regini, M., and G. Esping-Andersen. “The Effects of Labour Market De-regulation on Unemployment. A Critical Review of the Different Research Approaches and of Empirical Evidence”, paper presented to the European Commission, Brussels, Belgium, 1998.

The outcome of the current debate on deregulation is that it would be pointless to sacrifice labour law on the altar of employment. It would prove ineffective to assign to labour policy in the strict sense an ambitious role that it is well beyond its scope, especially with reference to the creation of new employment of good quality.

Rather, the route to be taken, also in relation to future research, is that of the modernisation and rethinking of labour law legislation, adopting a less formalistic approach, and assigning a larger role to industrial relations in order to provide a structural solution to the problem of youth unemployment.³⁰

It would appear to be far more important to undertake the reform of education and vocational training, and to improve the functioning of the bodies intended to promote the employability of young people, by means of networks, whether formal or informal, between international and local institutions, educational and training bodies, employers' associations, undertakings or trade unions. In this connection particular attention needs to be paid to the alternation of periods of school and work, and especially apprenticeship schemes,³¹ as well as institutional mechanisms aimed at promoting the placement of students and the transition from education to employment. As shown in the German and Japanese experience, "labor market programmes come and go. Institutions develop, adapt and, for the most, endure".³²

³⁰ Such an argument appears to be in line with the recent statements developed by the International Labour Organization, which draw a distinction between "good" and "bad" labour market institutions for the purposes of social development: Berg, J., and D. Kucera. 2007. *In Defence of Labour Market Institutions: Cultivating Justice in the Developing World*. Geneva: ILO.

³¹ In the sense of programmes combining vocational education with enterprise-based training. See Axmann, M. 2004. "Facilitating Labour Market Entry for Youth through Enterprise-Based Schemes in Vocational Education and Training and Skills Development", SEED Working Paper No. 48. Geneva: ILO, § XII. At a European level, the importance of apprenticeship for youth employability has been highlighted also by the European Parliament; see European Parliament. 2010. "Report on Promoting Youth Access to the Labour Market, Strengthening Trainee, Internship and Apprenticeship Status (2009/2221(INI))" Committee on Employment and Social Affairs.

³² See Ryan, P. 2001. "The School-to-work Transition: a Cross-national Perspective", *Journal of Economic Literature* 39, No. 1: 34-92. With regard to apprenticeships in Germany and school and university placement services in Japan, Ryan rightly notes that "those institutions have allowed Germany and Japan to avoid mass labour market programs and to concentrate instead on institutional development improving general education, vocational preparation and job placement, and making it easier for low achievers to participate. Although Japanese and German transition institutions have come under strain, they have adapted well and they continue – thus far at least – to function largely intact". For updated sources about Japan, see the Japan Institute for Labour Policy and Training www.jil.go.jp/english/reports/jilpt_01.html.

Once again, this strengthens the argument about human capital, which has so far been assigned a marginal role both by employment protection measures and by incentive measures.³³ The failure of job creation schemes and of employment protection measures based on non-negotiable conditions to produce the desired results provides reason to conceive the global governance of youth employment in a perspective of productivity and workforce employability.

It is therefore of considerable importance to identify regulatory techniques that are innovative both in terms of method and content. From the point of view of method, there is a need to recognise the limits of traditional techniques imposing norms from outside the employment relationship, that are not necessarily taking account of all the interests of the parties, nor of keeping up to date with changes taking place, and as a result they may not be capable of generating truly effective solutions. The need for “tailor-made regulations” should also be taken into account, especially for those categories of workers who “fall outside the pattern of the traditional employment relationship in a strict sense”.³⁴ In this connection, more fluid and negotiated regulatory processes based on the active participation of the labour market actors might well be better suited to achieve greater policy coordination, that is essential in dealing with the issue of youth employment, which is of vital importance for every state and region of the world, since no region is immune from external pressures.

However, in terms of content, there is a need to focus more closely on the objectives of the policies to adopt, focusing on the areas where incisive action is required to deal with the structural problems that prevent the qualitative and quantitative growth of youth employment. These elements, in line with the role assigned to productivity as the key to decent work, may be linked to two principles: employability and stability. The first means that the individual is capable of playing a role on the labour market thanks to adequate cultural, vocational and social skills, dealing in a confident manner with transitional

Among the others, see Hisashi, T. O., K. Koichiro, I. Koh, H. Park, K. Reiko, S. Tomoki. 2010. “The Labour Issue of Youth: Looking Back over 20 Years”, *The Japanese Journal of Labour Studies*, No.602. For Germany, see Bundesministerium für Wirtschaft und Technologie. 2010. *Nationaler Pakt für Ausbildung und Fachkräftenachwuchs in Deutschland 2010 – 2014*. Berlin: BMWi.

³³ United Nations. 2005b. *The Economic report on Africa 2005 – Meeting the Challenge of Unemployment and Poverty*. Addis Ababa: Economic Commission for Africa.

³⁴ Weiss, M. “Realising Decent Work in Africa”, Keynote Speech at the Opening Ceremony of the Fifth African Regional Congress of the IIRA in Cape Town, South Africa, 26 March 2008.

phases as they occur. The objective of stability is linked to the concept of productivity and to the level of turnover in the workforce of an enterprise. If there is any truth in the claim set forth in the World Employment Report 2004/05 of the ILO,³⁵ that “there is substantial evidence that stability of employment (tenure) is positively related to productivity gains”, the stability of the relationship between the employer and the employee should be safeguarded not so much by limits on termination, but rather by placing an emphasis, at the hiring stage, on matching the skills of job applicants to job descriptions.

In this respect, a central role is played by the school-to-work transition, in particular in the economic and sociological analysis, where it serves as an essential tool for gaining a better understanding of the problems of labour market entrants.³⁶

This concept, that could be used systematically also in the study of labour law and industrial relations, is particularly important as it:

draws together in a common arena a previously disparate set of issues in such areas as vocational education and training, youth unemployment, and wage structure. It does so by emphasising process attributes, as individuals flow from full-time schooling to full-time permanent employment, through various intermediate conditions, including vocational education and apprenticeship, fixed-term and part-time employment, and labour market programmes.³⁷

The ILO has itself resorted to this concept in examining certain youth employment indicators: the length of the transition from education and training to employment, the age of those entering the labour market, occupational status, the relation between the level of educational attainment and the position taken up in the labour market, income levels, employment sector, and gender inequality. At this point there is a need to complete the process, closing the gap between education, training and the labour market. With regard to the problem of youth unemployment and the quality and productivity of labour, the concept of the school-to-work transition can foster innovation in terms of both method and content, establishing a clear

³⁵ ILO. 2006b. *World Employment Report 2004/2005*. Geneva: ILO, p. 183.

³⁶ 2010b. *Global Employment Trends for Youth 2010*. Geneva: ILO, p. 36-43.

³⁷ See Ryan, P. 2001. “The School-to-work Transition: a Cross-national Perspective”, *Journal of Economic Literature* 39, No. 1, pp. 34-92.

connection not just in theoretical but also in practical and operational terms between education, training and the labour market.³⁸

In terms of content, this concept enables us to focus on shortcomings in the “accumulation” of human capital in the phases leading up to the entry into the labour market. The key issues here are asymmetrical information and the mismatch between the supply and demand for labour, resulting in unemployment, underemployment and low-quality employment. Investing in productivity is the key to employment of good quality and means rethinking regulatory instruments (such as employment contracts), and perhaps also the principles underlying training and the interpretation of rules, with a view to improving the match between the supply and demand for labour.

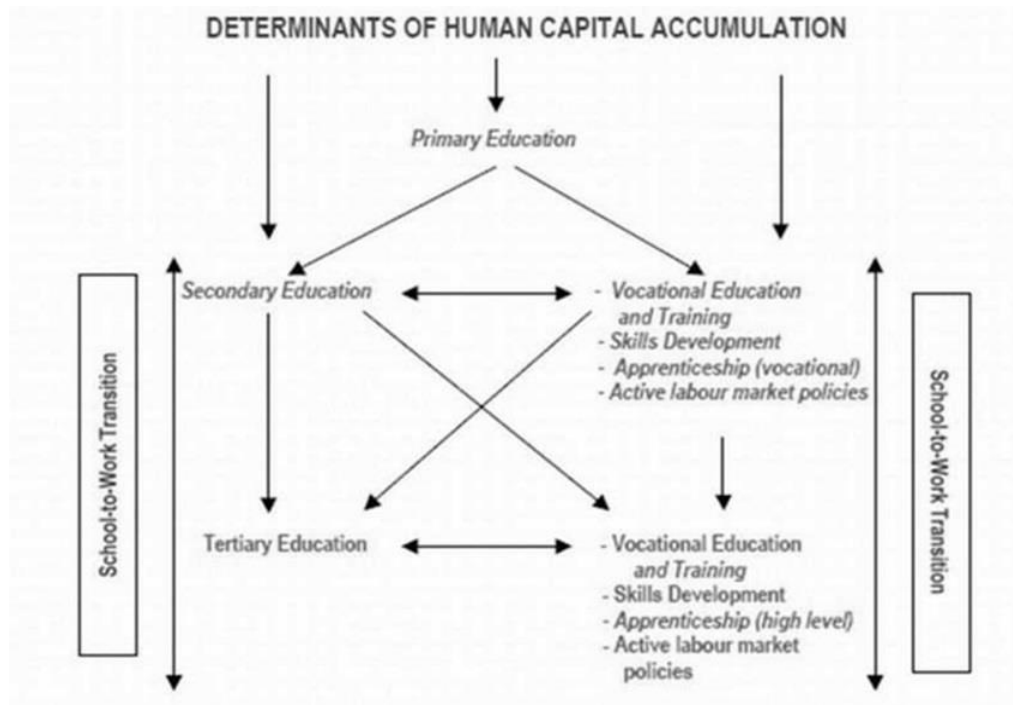
In terms of method, the concept of school-to-work transition requires a highly institutionalised regulatory approach, not based on conditions imposed by an external authority, but on the participation of all the stakeholders (the public authorities, the social partners, education and training institutions). Only a strong institutional structure, actively involving all these actors, can strengthen the links between the various phases of the transition. These links are essential conditions for the development of human capital, leading to increased productivity and decent employment. This is because, on the one hand, they are the actors who are best placed to interpret the employment needs in a given economic situation; and on the other hand, because they play an essential role in monitoring and safeguarding the workforce against irregular practices (to prevent training schemes from being used solely as a means to supply low-cost labour, or as a means to replace adult workers with young people prepared to work for low wages). This could lead to a new concept of education and training, no longer considered as a self-referential world of its own, but rather as a resource closely linked to the world of work.

In an industrial relations perspective, and with a view to developing the above mentioned system, all the actors involved are required to provide a more decisive contribution in the design and implementation of education and training programmes in line with the needs of the global labour market, setting up networks and alliances with institutions and bodies in other countries, envisaging forward planning with a view to problem solving. For this purpose, the social partners must take a part in dealing with the school-to-work transition, integrating the formal system of education and training as a unified

³⁸ United Nations. 2005b. *The Economic Report on Africa 2005 – Meeting the Challenge of Unemployment and Poverty*. Addis Ababa: Economic Commission for Africa. Aring, M., and M. Axmann. 2004. “Why Developing Countries Need a School-to-Work System, Now More Than Ever”, RTI International.

system of equivalent standing (with the option of taking interchangeable programmes of education to training from the secondary level onwards) – with the labour market (Fig. 4) rather than maintaining the traditional division³⁹ between education and work (Fig. 5).

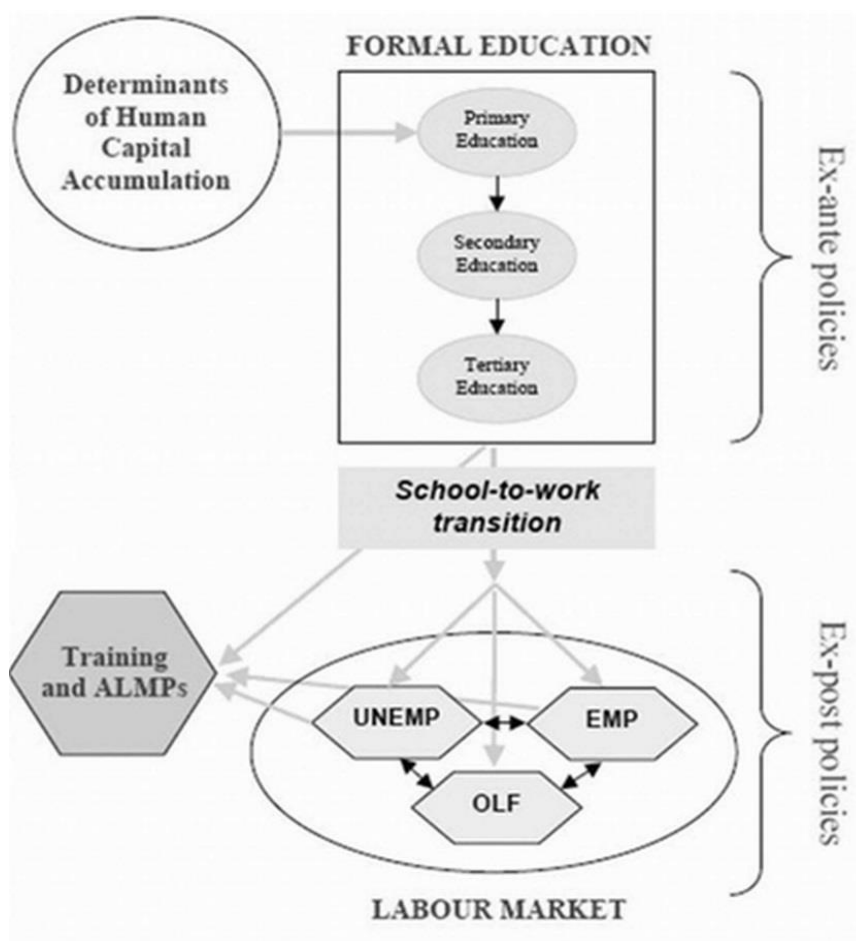
Fig. 4. Human Capital and the Labour Market: Our Proposal



Source: United Nations – Economic Commission for Africa

³⁹ See for example United Nations. 2005b. *The Economic Report on Africa 2005 – Meeting the Challenge of Unemployment and Poverty*. Addis Ababa: Economic Commission for Africa, p. 8.

Fig. 5. Human Capital and the Labour Market: the Traditional Pathways



Source: United Nations – Economic Commission for Africa

The importance of this pathway becomes evident only when taking account of the fact that many studies have concluded that the impact of interventions on future employment outcomes of disadvantaged young people diminishes with age.⁴⁰ In other words, as recently pointed out by the World Bank in a major

⁴⁰ See among others Martin, J., and D. Grubb. 2001. “What Works and for Whom: A Review of OECD Countries’ Experiences with Active Labour Market Policies”, IFAU Working Paper No. 14. Institute for Labour Market Policy Evaluation. Heckman, J. J., and L. Lochner. 2000. “Rethinking Education and Training Policy: Understanding the Sources of Skill Formation in a Modern Economy”, *Securing the Future: Investing in Children from Birth to Adulthood*, eds. Danziger, S., and J. Waldforgel, New York: Russell Sage Foundation. Garces, E., D. Thomas, and J. Currie. 2000. “Longer-term Effects of Head Start”, NBER Working Papers No. 8054. The National Bureau of Economic Research.

study on policies intended to support employment in Sub-Saharan Africa,⁴¹ “addressing potential problems early has a greater return than when young people have left formal education”. Also the OECD, in reviewing the evidence, has concluded that:

the evidence from the evaluation literature suggests the biggest pay-off for disadvantaged youths comes from early and sustained interventions. Such interventions should begin before children enter the compulsory schooling system, and they should be followed by intensive efforts to boost their performance in primary and secondary schooling and reduce drop-out rates.⁴²

It is not clear why, after recognising that “any policy advice on addressing youth employment problems should emphasise that prevention is more effective than curing”,⁴³ legal scholars in general have not developed⁴⁴ a unitary approach to the relation between education and training and the labour market in a global perspective. It may perhaps be explained by the lack of interdisciplinary study bringing together, in a unified conceptual scheme, the various specific disciplinary competences. However, it is only by means of reconsideration on the part of the institutions and the social partners of education and training pathways that a realistic integration with the world of work can be achieved in order to respond to the challenges of globalisation. An integrated system of education and vocational training, in a school-to-work perspective, as well as representing a step towards a solution to the problems of youth unemployment, could narrow the gap in education and training between developed and developing countries, bearing in mind that the

⁴¹ See Rother, F. 2006. “Intervention to Support Young Workers in Sub-Saharan Africa”, Regional Report for the Youth Employment Inventory. Washington: The World Bank, p. 3.

⁴² See OECD. 2002. *Employment Outlook 2002. A Better Start for Youth*, Paris: OECD, p. 32. See also the country-by-country and transnational programme of the OECD, *Jobs for Youth*. The European Commission is also addressing child care and early education, and intends to support specific measures to these policy areas, as declared in European Commission. 2011. “Tackling Early School Leaving: A Key Contribution to the Europe 2020 Agenda, COM(2011)”, Communication From The Commission To The European Parliament, The Council, The European Economic and Social Committee and The Committee Of The Regions, Brussels: European Commission, p. 18.

⁴³ See Rother, F. 2006. “Intervention to Support Young Workers in Sub-Saharan Africa”, Regional Report for the Youth Employment Inventory. Washington: The World Bank, p. 3.

⁴⁴ With reference to youth employment in Sub-Saharan Africa see Rother, F. 2006. “Intervention to Support Young Workers in Sub-Saharan Africa”, Regional Report for the Youth Employment Inventory. Washington: The World Bank, 3, that without going into detail refers to “practical grounds for limiting the inventory to post-formal-schooling interventions”.

expected duration of primary and secondary schooling is only 7.5 years in Africa compared with 12 years for Europe and the Americas.⁴⁵ Moreover,

according to human capital theory, the education acquired by a young person will be remunerated in terms of earnings, with higher wages reflecting higher productivity resulting from more advanced levels of education. Education will also determine the ability to participate in the labour force, not just the level of wages.⁴⁶

In addition, for developing countries and the African countries in particular, the crucial problem is to provide primary education for all. It seems to be unrealistic to maintain a formal traditional system for secondary and tertiary education when in a significant number of cases, the primary level is not completed.⁴⁷ In this connection, international experience provides a number of good practices that could be a suitable basis for experimental schemes in developing countries: 1) a broadening of vocational programmes and qualifications (e.g. a broad construction trades programme rather than separate programmes in carpentry, painting and bricklaying); 2) the creation of links between general and vocational education, and the combination of work-based learning with continuing school education (e.g. vocational options within upper secondary education, more general education content within vocational training, and a modular approach to general education and vocational training courses, making it possible to combine modules from both); 3) the creation of pathways from secondary vocational education into tertiary education, consisting of “dual qualification” pathways (qualifying the individual either to start work with technical expertise or to continue into tertiary education) as in Austria, the Czech Republic and Hungary, and supplementary examinations and courses taken in parallel with or after vocational training qualifications, as in Australia, Austria, Norway and Switzerland.⁴⁸

As highlighted by the OECD,⁴⁹ a wide variety of models exist for school-based workplace experience, ranging from unpaid work experience while still at school, to arrangements that combine schooling with half-day, or one-trimester-per-year, paid work. There is some evidence that school-based workplace experience has a positive impact on later labour market outcomes:

⁴⁵ United Nations. 2005b. *The Economic Report on Africa 2005 – Meeting the Challenge of Unemployment and Poverty*. Addis Ababa: Economic Commission for Africa, 9.

⁴⁶ Ibid.

⁴⁷ Ibid., 12.

⁴⁸ OECD. 2002. *Employment Outlook 2002. A Better Start for Youth*, Paris: OECD, pp. 31-32.

⁴⁹ Ibid.

some studies also suggest relatively good outcomes for students who take part-time or holiday jobs. It is well known that youth outcomes are generally good in countries like Germany and Denmark where a substantial proportion of young people enter work through apprenticeships that, in dual systems, provide an invaluable bridge between school and work. What these arrangements have in common is the benefit derived from contact with the world of work during education and training.

Measures can be taken to implement a major renewal of the systems of education and training that have so far been considered as two distinct spheres, and for this reason studied by separate research groups that are not in communication with each other. In most countries, young people are educated at school and then enter the labour market, with the transition from school to work being merely sequential. A modern vision of relations between education, training and socio-economic development calls for the design and implementation of policies and actions that take account not only of the demand for labour, but also of the quality of the supply. Only a real link between education, training and the world of work, by strengthening placement services and training schemes with an alternation of school and work, will enable us to deal in global and pragmatic terms with youth employment and balanced development of human capital all over the world. Clearly this perspective brings to mind the countries with a dual system (Austria, Denmark, Germany and Switzerland) that have relatively low youth unemployment rates and in which young people make the transition from school to apprenticeships, while they continue to spend one or two days a week in education.

It is well known that in countries such as Austria and Germany apprenticeship systems are built on several mutually dependent features.⁵⁰

Apprenticeship wages are low (initially about one-third of adult rates, rising to one-half in the final year), which makes apprenticeships attractive to employers. Apprenticeship qualifications have a high value on the labour market, and this makes apprenticeships attractive to young people and their parents. And the institutional basis for these systems is provided by strong and comprehensive industrial employer associations and industrial unions, which define apprenticeship qualifications and seek to maintain their value in the labour market. Hence the strategic role not only and not so much of public bodies, that can provide financial support for these schemes, but above all of

⁵⁰ Quintini, G., and S. Martin. 2006. "Starting Well or Losing their Way? The Position of Youth in the Labour Market in OECD Countries", OECD Social, Employment and Migration Working Paper No. 39. OECD, pp. 22-25.

the actors involved in the industrial relations system, who have a decisive role to play in relation to these schemes providing for an alternation between work and training.

Drawing on the disappointing results achieved by attempts to support apprenticeship schemes in the countries of Sub-Saharan Africa,⁵¹ a complex problem arises when transposing such schemes from one country to another, that is well known to comparative law scholars, particularly in relation to apprenticeships that derive their strength from particular characteristics that are typical of the national systems in which they operate. It is however the case that only countries that use this tool efficiently have rates of youth unemployment in line with those of the adult population,⁵² suggesting a link between apprenticeship schemes and stable employment of good quality.

Recent experience in countries such as Turkey, Malaysia, Tunisia and Egypt⁵³ – but also Uganda, Zambia and Kenya⁵⁴ – shows that, with suitable adaptation, the chances of success are considerable.⁵⁵

At the same time, traditional vocational training schemes, as well as being particularly costly, have not been able to respond to the need for decent work

⁵¹ See Rother, F. 2006. “Intervention to Support Young Workers in Sub-Saharan Africa”, Regional Report for the Youth Employment Inventory. Washington: The World Bank, highlighting the fact that apprenticeships are one of the most significant policies in recent years.

⁵² Axmann, M. 2004. “Facilitating Labour Market Entry for Youth through Enterprise-Based Schemes in Vocational Education and Training and Skills Development”, SEED Working Paper No. 48. Geneva: ILO, 16-40.

⁵³ Mention should be made in particular of the Mubarak-Kohl initiative in Egypt (a summary is to be found in United Nations. 2005a. *Youth, Education, Skill and Employment*. Addis Ababa: Economic Commission for Africa, p. 25); see also El Zanaty & Associates. 2007. “School to Work Transition: evidence from Egypt”, Employment Policy Paper, No. 2 Geneva: ILO: according to the study “(...) Egyptian young people face significant challenges in finding decent employment after leaving school. The analysis of the collected data revealed that (in 2007) only 39% of respondents who were economically active (meaning either working or seeking work) or 17% of total respondents had attained employment that they were more or less satisfied with (more information on definitions of transition stages are provided below). The remaining 61% of economically active youth – more than one-quarter of total respondents (26%) – were still in a period of labour market transition, meaning they had not yet reached their desired goal for decent employment”. With reference to Tunisia, see Stampini, M., and A. Verdier-Chouchane. 2011. “Labour Market Dynamics in Tunisia: the Issue of Youth Unemployment”, Working Paper Series n.123, African Development Bank, Tunisia.

⁵⁴ Grierson, J. 2002. *Enterprise-based Training in Africa: Case Studies from Kenya and Zambia*. Turin: ILO/ITC.

⁵⁵ Axmann, M. 2004. “Facilitating Labour Market Entry for Youth through Enterprise-Based Schemes in Vocational Education and Training and Skills Development”, SEED Working Paper No.48. Geneva: ILO.

of good quality, nor to the need for developing countries to invest in human capital by providing training for specific occupations.⁵⁶ There is a need to devise alternatives to traditional apprenticeship schemes.⁵⁷ However, it remains essential, in order to respond to the challenges of globalisation, to rethink traditional systems of education and training, that can no longer be designed and implemented in a self-referential manner, without strong links with the social partners and the labour market. Rather, the combination of practical training with additional theoretical training will increase the qualifications of trainees, and by meeting the needs of enterprises and employers, improve access to decent employment. As underlined by recent studies:⁵⁸

skills acquired in enterprises are mostly demand-driven as they respond to the needs of the enterprises for qualified workers. Young women and men that have gained working experience during training in enterprises have a good chance to be employed by the company that provided the training or by other companies working in similar branches. They are also much better prepared to start their own business [...]. This approach will also have an impact on the productivity of the enterprise and the quality of the products and services sold. At medium term, the competitiveness of the small enterprise sector will increase and create more and better jobs. It is also expected that improved skills and managerial capacity of the workforce in small enterprises, matched with a better insertion in market niches with higher value added and demand for labour will, jointly, lead to a sustainable expansion of the small enterprise sector.

Our proposal goes well beyond reforming education and training programmes at national level (though this is clearly an important objective),⁵⁹ and calls for the involvement of international organisations and networks of social actors at international and local level in taking a series of initiatives with a global dimension. This includes making provision for the exchange of students, with movement from the developing to the developed countries, in programmes

⁵⁶ Ibid.

⁵⁷ Betcherman, G., M. Godfrey, S. Puerto, F. Rother, and A. Stavreska. 2007. "A Review of Interventions to Support Young Workers: Findings of the Youth Employment Inventory", SP Discussion Paper, No. 715. Washington: The World Bank.

⁵⁸ Ibid.

⁵⁹ Along this perspective, substantially limited to nationally-based actions and programmes, see the debate developed within the International Labour Organization and summarised in ILO. 2007a. "Informe y conclusiones de la undécima Reunión Regional Africana", Addis Ababa, Ethiopia. April 24-28, 2007, and particularly Annex III and the Conclusions.

designed at local level together with the institutions and the social partners in the various countries in order to meet training needs.

In the new economy, the main source of the wealth of nations is their endowment with human capital. Indeed, human capital is the key factor for growth and development, and the engine for change. From this point of view, compared to the European countries and the other western nations with a rapid ageing population, the African nations are endowed with enormous wealth. In order to avoid wasting this precious resource, there is a need to manage it not simply by means of legal regulation that may or may not produce results, but above all – in line with developments in many Asian economies in recent years⁶⁰ – by means of a reform of the education and training systems on a global scale that should be entrusted to the social partners. The active governance of this system could provide young people in Africa and other developing countries with a realistic alternative to unemployment, work in the hidden economy and migration as undocumented workers. This would require the training provided in the country of origin to meet the needs of the labour market in the most advanced countries, where there is a shortage of skilled workers. Alongside the modernisation of apprenticeship schemes, a decisive role can be played in developing countries by career guidance services that need to be set up inside schools and universities, with the mutual recognition of vocational qualifications.

Bearing in mind that for many of these young people there is no real alternative to migration, as there is a lack of employment in their country of origin,⁶¹ it should be noted that recent international economic studies,⁶² have highlighted the fact that the temporary loss of human capital and skilled workers does not necessarily have a negative impact on the country of origin, but can serve as a step towards attracting capital and know-how and for the development of trade between the country of origin and the developed countries.

⁶⁰ See Yusuf, S., and K. Nabeshima, eds. 2007. *How Universities Promote Economic Growth*. Washington: The World Bank. For positive steps in Arabic Countries see www.tvet-portal.net/index.php?id=20&L=0.

⁶¹ International Labour Organization. 2005a. “Youth Employment: From a National Challenge to a Global Development Goal”, Background Paper contributed by the ILO to the G8 Labour and Employment Ministers’ Conference, London, United Kingdom, 10-11 March 2005, p. 5.

⁶² Ratha, D., and X. Zhimei. 2008. *Migration and Remittances Factbook 2008*. Migration and Remittances Team, Development Prospects Group, The World Bank. OECD. 2007. *International Migration Outlook*. Paris: OECD.

Today, in an increasingly global labour market, it may be argued that, provided it is properly governed,⁶³ the outflow of young migrants to the developed world can lead to a number of benefits for both receiving and sending countries.⁶⁴ Suffice it to consider the historical experience of many European countries, which after a long period of mass emigration, began to attract migrants from other countries, having benefited from migratory movements in the past.

Clearly, the solution that is proposed is not for the short term, nor is it easy to implement, but requires a considerable effort on the part of education and training, labour market and industrial relations actors, as there appears to be a lack of valid alternatives. There is an awareness among policy-makers “that productive employment for young people cannot be achieved and sustained through isolated and fragmented measures”.⁶⁵ Rather, it requires long-term, coherent and concerted action over a combination of economic and social policies (e.g. modernisation of labour legislation, labour market information, career guidance, education and training for employability in a global workplace).

The school-to-work transition, from this point of view, appears to be the most favourable area in which to work and invest in order to achieve structural results, dealing with the fragile growth of many of the African,⁶⁶ while respecting the reciprocal interests of all the regions and economies of the global market.

⁶³ Indeed, an uncontrolled and not planned migration does not seem suitable for the purpose of providing solutions to this matter, since the lives of those leaving the countries of origin would be made difficult by the lack of integration into the countries of destination (Malmberg-Heimonen, I., and I. Jukunen. 2006. “Out of Unemployment? A Comparative Analysis of the Risk and Opportunities Longer-term Unemployed Immigrant Youth Face when Entering the Labour Market”, *Journal of Youth Studies* 9, No.5, pp. 575-592.

⁶⁴ International Labour Organization. 2005a. “Youth Employment: From a National Challenge to a Global Development Goal”, Background paper contributed by the ILO to the G8 Labour and Employment Ministers’ Conference, London, United Kingdom, 10-11 March 2005, p. 8.

⁶⁵ *Ibid.* See also ILO. 2005b. *Resolution on Decent Work for Youth in Africa and the ILO Response*, Document GB289/5. Geneva: ILO.

⁶⁶ Arbache, J., D. S. Go, and J. Page. 2008. “Is Africa’s Economy at a Turning Point?”, The World Bank Africa Region, Policy Research Working Paper No. 4519. Angel-Urdinola, D. F., Semlali A., and S. Brodman. 2010. *Non-Public Provision of Active Labor Market Programs in Arab-Mediterranean Countries: An Inventory of Youth Programs*. Washington: The World Bank. ILO. 2007a. “Informe y conclusiones de la undécima Reunión Regional Africana”, Addis Ababa, Ethiopia. April 24-28, 2007, 5-10. ILO. 2007b. “The Decent Work Agenda in Africa: 2007–2015”, Report of the Director-General to the Eleventh African Regional Meeting, Addis Ababa, Ethiopia, April 2007.

5. Final Remarks: Theoretical Implications of our Proposal in Terms of Future Developments in the Study of Labour Law and Industrial Relations

Clearly the perspective outlined in the present study requires more in-depth analysis and field work. However, in concluding this preliminary study, it may be said that the school-to-work transition can make a significant contribution to recent strands of research that call for a theoretical reformulation of labour law and industrial relations.

Although the present study is intended to be innovative, and is in need of further development, in theoretical terms it is in line with certain recent proposals by legal scholars aimed at extending and modifying the frame of reference of the study of labour law and industrial relations, in order to ensure that it continues to play a significant role, in spite of international trends that are tending to marginalise these disciplinary fields. Mention should be made of the strand of legal research calling for labour law to be recast as “the law of labour market regulation”.⁶⁷ highlighting the fact that the dominant paradigm of labour law in the late twentieth century was lacking in “explanatory and normative power” in relation to the changing nature of the labour market (both within the enterprise and on a wider scale), to new economic theories concerning the labour market and its institutions, and to major changes in society arising from the globalisation of the economy and the markets. In this connection, mention should be made of the recent strand of labour law theory which, reflecting on the original paradigm of labour relations, as developed at the beginning of the twentieth century,⁶⁸ points to the need to considerably extend its field of observation beyond trade union issues in order to cover all the issues arising from labour relations. This development appears to be essential, if we are to avoid the risk of increasingly marginalising industrial relations in the context of the free market.

An important contribution in this direction could come from the proposal put forward in the present study, to govern the dynamics of supply and demand for

⁶⁷ Arup, C., P. Gahan, J. Howe, R. Mitchell, and A. O’ Donnell. 2006. *Labour Law and Labour Market Regulations*. Annandale: The Federation Press.

⁶⁸ Kaufman, B. 2007. “The Core Principle and Fundamental Theorem of Industrial Relations”, Working Paper 07-01, Department of Economics, W.T. Beebe Institute of Personnel and Employment Relations. Georgia State University. An Italian translation was published in *Diritto delle Relazioni Industriali*, 2006, 4, Il principio essenziale e il teorema fondamentale delle relazioni industriali.

labour by strengthening links on a global scale between education and training, and the labour market as a more effective and more realistic solution compared to a regulatory (or deregulatory) perspective, that is becoming weaker and less effective due to the loss of sovereignty on the part of nation states in the governance of the labour market. In this connection, it is not intended to turn away from the traditional protective function of labour law, but simply to highlight the fact that labour law concerns matters of production more than income distribution, in the sense that a lack of growth and development tends to have a negative impact on the potential of the labour market and on workers' protection. This confirms the decisive importance of the method of industrial relations, since no better tool has yet been invented for conciliating the protection of workers with the need for competitiveness on the part of enterprises.

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