

Productivity, Investment in Human Capital and the Challenge of Youth Employment

ADAPT LABOUR STUDIES BOOK-SERIES

International School of Higher Education in Labour and Industrial Relations

Series Editors

Tayo Fashoyin, University of Lagos (Nigeria)

Michele Tiraboschi, University of Modena and Reggio Emilia (Italy)

Guest Editors

Pietro Manzella, ADAPT Language Editor

Lisa Rustico, ADAPT Head of International Relations

ADAPT (www.adapt.it) is a non-profit organisation founded in 2000 by Professor Marco Biagi with the aim of promoting studies and research in the field of labour law and industrial relations from an international and comparative perspective. Our purpose is to encourage and implement a new approach to academic research, by establishing ongoing relationships with other universities and advanced studies institutes, and promoting academic and scientific exchange programmes with enterprises, institutions, foundations and associations. In collaboration with the **Marco Biagi Centre for International and Comparative Studies** (www.csmb.unimore.it), ADAPT set up the International School of Higher Education in Labour and Industrial Relations, a centre of excellence which is accredited at an international level for research, study and the postgraduate programmes in the area of industrial and labour relations.

ADAPT International Scientific Committee

Bertagna Giuseppe (*University of Bergamo, Italy*), Bulgarelli Aviana (*ISFOL, Italy*), Frommberger Dietmar (*Universität Magdeburg, Germany*), Grisolia Julio Armando (*Universidad Nacional de Tres de Febrero, Argentina*), Hajdù József (*University of Szeged, Hungary*), Kai Chang (*Renmin University, China*), Ouchi Shynia (*University of Kobe, Japan*), Quinlan Michael (*University of New South Wales, Australia*), Raso Delgue Juan (*Universidad de la Republica, Uruguay*), Ryan Paul (*King's College, University of Cambridge, United Kingdom*), Sanchez Castaneda Alfredo (*Universidad Nacional Autonoma de Mexico, Mexico*), Sargeant Malcolm (*Middlesex University, United Kingdom*), Fashoyin Tayo (*University of Lagos, Nigeria*), Tiraboschi Michele (*University of Modena and Reggio Emilia, Italy*), Tucker Erick (*York University, Canada*).

Productivity, Investment in Human Capital
and the Challenge of Youth Employment

Series Editors

Tayo Fashoyin and Michele Tiraboschi

Guest Editors

Pietro Manzella and Lisa Rustico

**CAMBRIDGE
SCHOLARS**

P U B L I S H I N G

Productivity, Investment in Human Capital and the Challenge of Youth Employment,
Series Editors: Tayo Fashoyin and Michele Tiraboschi
Guest Editors: Pietro Manzella and Lisa Rustico

This book first published 2011

Cambridge Scholars Publishing

12 Back Chapman Street, Newcastle upon Tyne, NE6 2XX, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

Copyright © 2011 by Pietro Manzella and Lisa Rustico and contributors

All rights for this book reserved. No part of this book may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise, without the prior permission of the copyright owner.

ISBN (10): 1-4438-3174-3, ISBN (13): 978-1-4438-3174-1

TABLE OF CONTENTS

List of Illustrations	ix
List of Tables	xiii
Foreword	xvii
Tayo Fashoyin and Michele Tiraboschi	
Youth and the Changing World of Work.....	xix
Pietro Manzella and Lisa Rustico	
The Challenge of Youth Employment	
The Youth Employment Challenge. An Introduction.....	3
<i>Tayo Fashoyin</i>	
The Challenge of Youth Employment in the Perspective of School-to-work Transition	17
<i>Michele Tiraboschi</i>	
Chapter One: Youth and the Crisis	
Youth Unemployment Before and After the Crisis	57
<i>Enrico Marelli and Marcello Signorelli</i>	
Young Workers and the Recession.....	85
<i>Barbara Grandi and Malcolm Sargeant</i>	
The Changing Nature of Youth Employment in Australia: How Can this Be Understood?	105
<i>Erica Smith</i>	
Chapter Two: Human Capital, Productivity, and New Forms of Work	
Soft Skills: A Tool for Grooming High-performing Managers	123
<i>Thayyullathil Asokan and Mohammed Parakandi</i>	

Combinatorial Approaches to Informal Sector Human Capital Investments and Youth Employment in Sub-Saharan Africa	135
<i>Benjamin Ogwo</i>	
Youth Employment: Student Preferences for Mobiflex Work	155
<i>Franz Gellert and René Schalk</i>	
Training and Temporary Agency Work: A Comparative Analysis of National Regulatory Patterns.....	173
<i>Lilli Casano</i>	
Chapter Three: From School-to-work Transition to the Challenge of Youth Employment—Different Approaches in Different Realities	
Quality Criteria for Establishing Work-based Learning: An Evaluation of In-company Learning Arrangements.....	199
<i>Ludger Deitmer</i>	
The Impact of International Mobility on Youth Employability in VET ..	215
<i>Léna Krichewsky</i>	
Youth Employment and Relevant Labour Market Programmes in Hungary	241
<i>Attila Kun and Balázs Rossu</i>	
Issues of the Learning through Work Experience Programme for Junior High School Students: “The 14-Year-Old’s Challenge” in Toyama Prefecture.....	271
<i>Satomi Terasaki</i>	
Child Labour in Tunisia: Law and Reality	295
<i>Salma Khaled Slama</i>	
From School to Work: A Comparative Study of Labour Capacity Development between Thailand and Vietnam.....	315
<i>Phasina Tangchuang</i>	
Career Support in Universities.....	335
<i>Mitsuko Uenishi</i>	
Reading Instructions	359

Productivity, Investment in Human Capital and the Challenge
of Youth Employment vii

Online Resources	361
Contributors	369
Index	371

LIST OF ILLUSTRATIONS

- Fig. A. Michele Tiraboschi. *Youth Unemployment (age range 15- 24 years) in a Number of OECD Countries*. The Challenge of Youth Employment in the Perspective of School-to-work Transition.
- Fig. B. Michele Tiraboschi. *Incidence of Long-term Unemployment among Youth (1995 - 2009)*. The Challenge of Youth Employment in the Perspective of School-to-work Transition.
- Fig. C. Michele Tiraboschi. *Half of the Global Youth Population Live in Low-income Countries*. The Challenge of Youth Employment in the Perspective of School-to-work Transition.
- Fig. D. Michele Tiraboschi. *Human Capital and the Labour Market: Our Proposal*. The Challenge of Youth Employment in the Perspective of School-to-work Transition.
- Fig. E. Michele Tiraboschi. *Human Capital and the Labour Market: the Traditional Pathways*. The Challenge of Youth Employment in the Perspective of School-to-work Transition.
- Fig. 1-1. Erica Smith. *Young People's Working and Learning Aged 15-25*. The Changing Nature of Youth Employment in Australia: How can this be Understood?
- Fig. 2-1. Benjamin Ogwo. *Knowledge Divide between Formal and Informal Sectors (adapted from Nnadi 2010)*. Combinatorial Approaches to Informal Sector Human Capital Investments and Youth Employment in Sub-Saharan Africa.
- Fig. 2-2. Benjamin Ogwo. *Re-engineering SSA's Informal Sector Human Capital Investments for Youth Employment*. Combinatorial Approaches to Informal Sector Human Capital Investments and Youth Employment in Sub-Saharan Africa.
- Fig. 2-3. Franz Josef Gellert and René Schalk. *Conceptual Framework: Students' Job and Firm-related Preferences*. Youth Employment: Student Preferences for Mobiflex Work.
- Fig. 3-1. Ludger Deitmer. *Apprentices' Increase in Productivity over the Three Years of Training*. Quality Criteria for Establishing Work-based Learning: An Evaluation of In-company Learning Arrangements.
- Fig. 3-2. Ludger Deitmer. *The Quality of Training over the Three Years of Apprenticeship*. Quality Criteria for Establishing Work-based Learning: An Evaluation of In-company Learning Arrangements.
- Fig. 3-4. Léna Krichewsky. *The Benefits of International Mobility in the Eyes of Participants*. The Impact of International Mobility on Youth Employability in VET.

- Fig. 3-5. Léna Krichewsky. *Participants' View on the Effects of Mobility on Employability*. The Impact of International Mobility on Youth Employability in VET.
- Fig. 3-6. Léna Krichewsky. *Time Needed to Find First Job*. The Impact of International Mobility on Youth Employability in VET.
- Fig. 3-7. Léna Krichewsky. *Unemployment Rate after Graduation*. The Impact of International Mobility on Youth Employability in VET.
- Fig. 3-8. Attila Kun and Balázs Rossu. *The Proportion of Graduates among the Registered Unemployed*. Youth Employment and Relevant Labour Market Programmes in Hungary.
- Fig. 3-9. Attila Kun and Balázs Rossu. *Number and Ratio of Unemployed Entrants between January 2009 and August 2010*. Youth Employment and Relevant Labour Market Programmes in Hungary.
- Fig. 3-10. Attila Kun and Balázs Rossu. *The Number of Entrants by Level of Education in August 2010*. Youth Employment and Relevant Labour Market Programmes in Hungary.
- Fig. 3-11. Satomi Terasaki. *What was Required in the Experiential Activities*. Issues of the Learning through Work Experience Programme for Junior High School Students: "The 14-Year-Old's Challenge" in Toyama Prefecture.
- Fig. 3-12. Satomi Terasaki. *Students' Findings from the Experiential Activities*. Issues of the Learning through Work Experience Programme for Junior High School Students: "The 14-Year-Old's Challenge" in Toyama Prefecture.
- Fig. 3-13. Phasina Tangchuang. *Secondary School Enrolment (thousand), 1975-2006*. From School to Work: A Comparative Study of Labour Capacity Development between Thailand and Vietnam.
- Fig. 3-14. Phasina Tangchuang. *Tertiary Level Enrolment (thousand), 1975-2006*. From School to Work: A Comparative Study of Labour Capacity Development between Thailand and Vietnam.
- Fig. 3-15. Phasina Tangchuang. *Gross Enrolment Ratio, All Levels, 1970-2006*. From School to Work: A Comparative Study of Labour Capacity Development between Thailand and Vietnam.
- Fig. 3-16. Phasina Tangchuang. *Secondary School Gross Enrolment Ratio, 1975-2006*. From School to Work: A Comparative Study of Labour Capacity Development between Thailand and Vietnam.
- Fig. 3-17. Phasina Tangchuang. *Tertiary Gross Enrolment Ratio, 1975-2005*. From School to Work: A Comparative Study of Labour Capacity Development between Thailand and Vietnam.
- Fig. 3-18. Phasina Tangchuang. *Graduates per Field*. From School to Work: A Comparative Study of Labour Capacity Development between Thailand and Vietnam.
- Fig. 3-19. Mitsuko Uenishi. *Trends in the Size of the 18-Year-Old Population and the Number and the Proportion of Entry into Higher Education Institutions*. Career Support in Universities.
- Fig. 3-20. Mitsuko Uenishi. *Progress by University Graduates*. Career Support in Universities.

Fig. 3-21. Mitsuko Uenishi. *Total Number of Job Offers, Number of People Looking for Employment in Private Companies, and Ratio of Offers to Applicants, in Regard to University Students and Graduate Students Expected to Graduate the Following Spring. Career Support in Universities.*

LIST OF TABLES

- Table 1-1. Enrico Marelli and Marcello Signorelli. *Youth Unemployment Rate, by Sex and Region, 1998, 2008 and 2009*. Youth Unemployment Before and After the Crisis.
- Table 1-2. Enrico Marelli and Marcello Signorelli. *Total (15+) and Youth (15-24) Unemployment and Unemployment Rates*. Youth Unemployment Before and After the Crisis.
- Table 1-3. Enrico Marelli and Marcello Signorelli. *Unemployment Rates (total and youth) (third quarter) 2008 versus (third quarter) 2010*. Youth Unemployment Before and After the Crisis.
- Table 1-4. Enrico Marelli and Marcello Signorelli. *Unemployment Rate of Young People (15-24 years) (%)*. Youth Unemployment Before and After the Crisis.
- Table 1-5. Enrico Marelli and Marcello Signorelli. *Ratios of Youth Unemployment Rate vs. Total Unemployment Rate*. Youth Unemployment Before and After the Crisis.
- Table 1-6. Enrico Marelli and Marcello Signorelli. *Global Labour Market Indicators for Youth (15-24) and Total (15+), 1998, 2008 and 2009*. Youth Unemployment Before and After the Crisis.
- Table 1-7. Barbara Grandi and Malcolm Sargeant. *Total Employment Rate (%)*. Young Workers and the Recession.
- Table 1-8. Barbara Grandi and Malcolm Sargeant. *Employment Rate (%)*. Young Workers and the Recession.
- Table 1-9. Barbara Grandi and Malcolm Sargeant. *Unemployment Rate (%)*. Young Workers and the Recession.
- Table 1-10. Barbara Grandi and Malcolm Sargeant. *Long-term Unemployment Rates by Age Group (%)*. Young Workers and the Recession.
- Table 1-11. Barbara Grandi and Malcolm Sargeant. *Employment Rate for 16-17 Year Olds*. Young Workers and the Recession.
- Table 1-12. Barbara Grandi and Malcolm Sargeant. *Employment Rate for 18-24 Year Olds*. Young Workers and the Recession.
- Table 1-13. Barbara Grandi and Malcolm Sargeant. *Employment Rate by Age Group*. Young Workers and the Recession.
- Table 1-14. Barbara Grandi and Malcolm Sargeant. *Employment Rate (%) for 16-17 Year Olds by Gender*. Young Workers and the Recession.
- Table 1-15. Barbara Grandi and Malcolm Sargeant. *Employment Rate (%) for 18-24 Year Olds by Gender*. Young Workers and the Recession.
- Table 1-16. Barbara Grandi and Malcolm Sargeant. *Unemployment and Inactivity Rates (%) for 16-17 Year Olds*. Young Workers and the Recession.
- Table 1-17. Barbara Grandi and Malcolm Sargeant. *Unemployment and Inactivity Rates (%) for 18-24 Year Olds*. Young Workers and the Recession.

- Table 1-18. Barbara Grandi and Malcolm Sargeant. *Unemployment Rates by Age Group (%)*. Young Workers and the Recession.
- Table 1-19. Barbara Grandi and Malcolm Sargeant. *People in Unemployment for 12 Months and over (%)*. Young Workers and the Recession.
- Table 1-20. Barbara Grandi and Malcolm Sargeant. *Unemployment Rates of Young People (15-24) (%)*. Young Workers and the Recession.
- Table 1-21. Barbara Grandi and Malcolm Sargeant. *Unemployment Rate of Young People During the Recession (%)*. Young Workers and the Recession.
- Table 1-22. Erica Smith. *Five Australian Research Studies of Young People and Workplaces*. The Changing Nature of Youth Employment in Australia: How can this be Understood?
- Table 1-23. Erica Smith. *Positives and Negatives of Working While a Student: Findings from the Five Studies*. The Changing Nature of Youth Employment in Australia: How can this be Understood?
- Table 2-1. Mohammed Parakandi and Thayyullathil Asokan. *Self-Management Skills for Managers*. Soft skills: A Tool for Grooming High-performing Managers.
- Table 2-2. Mohammed Parakandi and Thayyullathil Asokan. *Interpersonal Skills for Managers*. Soft skills: A Tool for Grooming High-performing Managers.
- Table 2-3. Mohammed Parakandi and Thayyullathil Asokan. *Technology Skills for Managers*. Soft skills: A Tool for Grooming High-performing Managers.
- Table 2-4. Mohammed Parakandi and Thayyullathil Asokan. *Association between Self-management Skills and Managerial Performance Index: Chi-square Test*. Soft skills: A Tool for Grooming High-performing Managers.
- Table 2-5. Mohammed Parakandi and Thayyullathil Asokan. *Association between Interpersonal Skills and Managerial Performance Index: Chi-square Test*. Soft skills: A Tool for Grooming High-performing Managers.
- Table 2-6. Mohammed Parakandi and Thayyullathil Asokan. *Association between Technology Skills and Managerial Performance Index: Chi-square Test*. Soft skills: A Tool for Grooming High-performing Managers.
- Table 2-7. Benjamin Ogwo. *Youth Population, Employment and Unemployment, by Sex and Region, 1998, 2008 and 2009*. Combinatorial Approaches to Informal Sector Human Capital Investments and Youth Employment in Sub-Saharan Africa.
- Table 2-8. Franz Josef Gellert and René Schalk. *Means, SDs, and Correlations for the Student Sample (N=175)*. Youth Employment: Student Preferences for Mobiflex Work.
- Table 2-9. Franz Josef Gellert and René Schalk. *Regression Analyses Student Sample (N=175)*. Youth Employment: Student Preferences for Mobiflex Work.
- Table 3-1. Léna Krichewsky. *Publications*. The Impact of International Mobility on Youth Employability in VET.
- Table 3-2. Léna Krichewsky. *Research Method*. The Impact of International Mobility on Youth Employability in VET.
- Table 3-3. Attila Kun and Balázs Rossu. *Employers' Savings with the Start Card, 2007 (HUF/person/year)*. Youth Employment and Relevant Labour Market Programmes in Hungary.

Table 3-4. Satomi Terasaki. *Implementation of Experiential Activities at Schools.*

Issues of the Learning through Work Experience Programme for Junior High School Students: “The 14-Year-Old’s Challenge” in Toyama Prefecture.

Table 3-5. Satomi Terasaki. *Collection Rate and Matching.* Issues of the Learning

through Work Experience Programme for Junior High School Students: “The 14-Year-Old’s Challenge” in Toyama Prefecture.

Table 3-6. Satomi Terasaki. *Outline of Interviewees and Business Establishments*

Surveyed. Issues of the Learning through Work Experience Programme for Junior High School Students: “The 14-Year-Old’s Challenge” in Toyama Prefecture.

Table 3-7. Satomi Terasaki. *Contents of Activities.* Issues of the Learning through

Work Experience Programme for Junior High School Students: “The 14-Year-Old’s Challenge” in Toyama Prefecture.

FOREWORD

TAYO FASHOYIN AND MICHELE TIRABOSCHI

In an international and comparative perspective, access to the labour market on the part of young people is a complex issue with certain contradictory aspects reflecting the level of development of public policy, labour law and industrial relations in the respective countries.

In the most advanced economies there has been a steady increase in the age at which young people exit the educational system and enter the labour market, giving rise to significant economic and social problems. The increase in the levels of educational attainment is associated in some cases with an alarming rate of unemployment among those with academic qualifications, while employers encounter considerable difficulty in recruiting workers for unskilled and semi-skilled positions.

The economies of developing countries, on the other hand, are characterised by different trends, reminiscent of the early stages of modern labour law and their enforcement, resulting in large-scale exploitation of young workers and children. Many of such young entrants into the labour market join the flow of migrants towards the more highly developed regions of the world, with the consequent risk of impoverishing human capital in the country of origin.

In this connection, the *ADAPT LABOUR STUDIES BOOK-SERIES* has been set up with a view to advancing a better understanding of those issues in a global dimension through an interdisciplinary and comparative approach.

We wish to express our sincere thanks to Martina Ori, Barbara Winkler and Machilu Zimba for their editorial assistance.

YOUTH AND THE CHANGING WORLD OF WORK

PIETRO MANZELLA AND LISA RUSTICO

The labour market poses serious challenges in terms of youth employment, with this topic increasingly attracting the attention of many experts and policy-makers at an international level. Although from different perspectives, the provision of job opportunities to young people is deemed a priority in many countries. Far from being the direct result of labour reforms, adjustments in employment policies primarily stemmed from wide-ranging changes occurred in some production methods and work organisation, also considering the shift from an industrial-based to a service-based society. In this respect, by facing turbulent school-to-work transitions, unprofitable investments in education, joblessness and precariousness, the younger generations suffer the most from ineffective labour market dynamics and self-referential education systems, with such variables that are tightly intertwined, as shown, for instance, by the impact of the educational attainment levels on youth unemployment rates. When poorly educated, young people are more exposed to the effects of unemployment, even on the long run. Especially those who leave the school system without any formal qualification – dropouts – or those neither in employment nor in education and training – the NEETs – are at risk of suffering from bad economic conditions, social exclusion and lower participation in continuous training throughout their lives.

Young people still remain one of the weakest segments of the labour market, as particularly exposed to economic turmoil and changes, and this aspect is even more dramatic if we consider the increased dependency ratio, flowing from the ageing population. Moreover, while in employment, young people are often engaged in precarious jobs, therefore becoming more vulnerable to job loss than their adult counterparts. Besides facing employment instability, youngsters also lack adequate skills, and those qualifications the labour market longs for. In addition to formal qualifications, holding “the right skills for the right jobs” on the part of young people would represent a means to face such challenges and avoid risks of precariousness. However, matching labour demand and supply is regarded as a viable solution only through a dynamic and mutually

supporting relationship between educational and training institutions and the labour market.

On the basis of these considerations, and in an awareness of the seriousness of the foregoing questions and consequences that ensue, the papers in this volume aim at providing some valuable insights into the issue, taking as a starting point initiatives, policies and legislative measures adopted in different national contexts to tackle young people unemployment.