

Bettina Kohlrausch

# A Ticket to Work?

---

Policies for the Young Unemployed  
in Britain and Germany

Studies in Social  
Policy Research

**campus**



# Contents

|   |    |
|---|----|
| Acknowledgement . . . . .   | 9  |
| 1 Introduction . . . . .  | 11 |
| 2 Bridging Institutions and Life Courses:<br>Why Skills Matter for the Analytical Frame of the reference. . . . . | 18 |
| 2.1 Skill Regimes in Comparative Perspective:<br>The New Institutional Approach . . . . .                         | 19 |
| 2.2 The Life-Course Approach . . . . .  | 25 |
| 2.2.1 Structuring the Life Course . . . . .   | 27 |
| 2.3 The Meaning of Skills for School-to-Work Transitions. . . . .   | 29 |
| 2.3.1 Varieties of the Institutional Framing<br>of Labour Market Integration . . . . .                            | 29 |
| 2.3.2 Skills are the Answer: Three Dimensions of Skills . . . . .   | 32 |
| 3 Training Systems in Germany and Britain. . . . .  | 40 |
| 3.1 Youth Labour Markets in Germany . . . . .   | 42 |
| 3.1.1 Skill Protection: Foundations<br>of the German Vocational Training System . . . . .                         | 42 |
| 3.1.2 Skill Formation . . . . .   | 52 |
| 3.1.3 Skill Access and Job Allocation Process . . . . .   | 56 |
| 3.2 Youth Labour Markets in Britain. . . . .  | 61 |
| 3.2.1 Skill Protection . . . . .  | 62 |

|       |  |     |
|-------|--|-----|
| 3.2.2 | Skill Formation . . . . .  | 73  |
| 3.2.3 | Skill Access . . . . .   | 76  |
| 3.3   | Conclusion: The British and German Training Systems as Exemplary Institutions of Liberal and Coordinated Market Economies? . . . . . | 79  |
| 4     | Implementation of Jump and NDYP . . . . .  | 85  |
| 4.1   | The Jump-programme . . . . .   | 86  |
| 4.1.1 | Jump in the Context of National Labour-market and Training Policy . . . . .  | 86  |
| 4.1.2 | Structure of the Programme . . . . .   | 89  |
| 4.1.3 | Summary: Skills in Jump . . . . .  | 96  |
| 4.2   | Description of the New Deal for Young People . . . . .   | 99  |
| 4.2.1 | New Deal in the Context of National Labour-market Policy . . . . .   | 99  |
| 4.2.2 | Implementation of the New Deal . . . . .   | 102 |
| 4.2.3 | Summary: Skills in the NDYP . . . . .  | 110 |
| 4.3   | Conclusion: Comparing Jump and NDYP . . . . .  | 113 |
| 4.3.1 | Jump and New Deal against the Framework of Current Labour-Market and Training Policies . . . . .                                     | 113 |
| 4.3.2 | Skills in Jump and New Deal . . . . .  | 116 |
| 4.3.3 | Final Conclusion:<br>Are the Programmes Indicators of a CME and LME? . . . . .   | 119 |
| 5     | Transition Patterns within Jump and NDYP . . . . .   | 120 |
| 5.1   | Have the Programmes Helped to Reduce Unemployment? . . . . .   | 121 |
| 5.1.1 | The New Deal for Young People . . . . .  | 121 |
| 5.1.2 | The Jump-programme . . . . .   | 123 |
| 5.2   | Successful Measures and Options with regard to Labour-Market Integration . . . . .   | 126 |
| 5.2.1 | Success of Measures of the Jump-programme . . . . .  | 126 |

|   |     |
|---|-----|
| 5.2.2 Labour-Market Chances after Leaving<br>the NDYP according to Leaving Destination. . . . .   | 129 |
| 5.3 Distribution of Qualifications within Jump and New Deal . . .                                 | 132 |
| 5.3.1 Making Qualifications Comparable:<br>The CASMIN Scale. . . . .                              | 132 |
| 5.3.2 Attendance of Certain Instruments<br>According to Education in the Jump programme. . . . .  | 135 |
| 5.4 Patterns of Participation According<br>to Gender and Ethnic Origin . . . . .                  | 139 |
| 5.4.1 Education According to Nationality and Gender . . . . .                                     | 140 |
| 5.5 Patterns of Status-Changes . . . . .  | 142 |
| 5.5.1 The Status-Changes from being Unemployed<br>to being Participant of the Programme . . . . . | 142 |
| 5.5.2 Length of Stay in the Programme . . . . .   | 143 |
| 5.5.3 Summary: Institutional Framing of Jump<br>and NDYP . . . . .                                | 144 |
| 5.6 Is there Workfare Recycling in both Programmes? . . . . .                                     | 145 |
| 5.6.1 Workfare Recycling in Jump . . . . .  | 146 |
| 5.6.2 Workfare Recycling in the NDYP . . . . .  | 150 |
| 5.6.3 Summary: Workfare Recycling in Jump<br>and New Deal . . . . .                               | 153 |
| 5.7 Summary: Transition Patterns in Jump and NDYP . . . . .                                       | 154 |
| 6 Jump and New Deal:<br>Old or New Path into (Un)employment? . . . . .                            | 155 |
| List of Tables and Figures . . . . .  | 165 |
| References . . . . .  | 167 |



stitutional contexts gains relevance for the skills provided within the vocational system. In systems organised along qualificational spaces, the conveyed skills are rather specific, i.e. “are more instrumental to particular functional tasks and include skills such as accounting, computer programming...” (Shavit and Müller 1998, 5). In systems organised along organisational spaces, skills provided by vocational training are rather general and include for example literacy and cognitive skills.

### 2.3.2 Skills are the Answer: Three Dimensions of Skills

The central issue of this book is to understand ‘the story’ the implementation of Jump and New Deal tell about youth labour markets in Britain and Germany. How can comparative research on labour markets and training systems benefit from the theoretical arguments and concepts stated above?

Institutionalists claim that societies are more than the sum of its individuals. Institutions organise societal integration and thereby constrain and enhance individual acting and give it a distinct direction (Giddens 1997). In this regard, societal structures are not simply a result of individual interests but also not totally independent from it. As substantially researched and shown by life-course research, labour markets and individuals are interrelated and mutually influence each other. Labour markets are one of the places where the interchange of individuals and society takes place. But how are labour-market institutions and life courses interrelated concretely? How does labour-market integration take place and in what terms is appropriate labour-market behaviour actually articulated? What is the currency of this exchange? Picking up the question asked by Crouch, Finegold et al. (1999), in the following, it is shown that skills are the answer to these questions. The discussion of the distinct approaches towards historical institutionalism shows that skills are in many various prospects the initial point of comparative research on youth labour markets. Rubery and Grimshaw (2003, 107) even argue that skills “lie at the heart of the contradictory relations that underpin capitalist economies”.

Strikingly, a clear definition of ‘skills’ is missing in most comparative research done so far. The term ‘skill’ is used to describe various aspects of ‘what people know’. It expresses ascriptive and cognitive features. It covers, for example, learning results gained within a standardised process and with formalised outcomes, know-how, and competencies gained within an informal

learning process (for example dealing with a computer obtained in everyday-life challenges). Categorisations of skills such as those made by Becker (1964) or later Estevez-Abe, Iverson et al. (2001) (see *paragraph 2.3.1*) differentiate between distinct forms of skills and their matching to the labour market without giving an overall definition. The concentration on the meaning of skills for labour-market processes appears to conflict with the customary usage of the word. In colloquial meaning 'skill' is a term which describes mostly personal aptitudes or qualifications and consequently focuses on the individual level. In comparative research on youth labour markets and school-to-work transitions it is used to categorise vocational education and training (VET) systems, thus, it focuses on the institutional level. The individual level comes into the play by the notion that school-to-work transitions are shaped to a great extent by the skills provided in vocational education and training. Following this line of argumentation, skills are situated at the interface of institutions and individual school-to-work transitions. Skills are institutions which shape a particular mode of social integration: labour-market integration. In this book 'skill' is used as a generic term for any kind of outcome of formalised learning processes. Skills are understood as any kind of learning outcome obtained from an education or labour-market institution. These learning outcomes do not have to be formalised or certified.

The various dimensions of skills are important for a comparative perspective on training systems in Britain and Germany. Skills are one of the important ties which keep together labour markets and training systems. Life course research and historical institutionalism share the main argument—albeit from different perspectives—that different path dependencies in Britain and Germany generate specific linkages between vocational training systems and labour markets. In the following both perspectives are combined in order to compensate for the weaknesses of each approach and make use of their benefits.

The institutional approach allows the different choices Britain and Germany made concerning the provision and allocation of skills in the framework of their training and labour-market policy to be traced in detail. The historical institutional approach permits an understanding of the mechanisms which reinforce certain paths in the development of labour markets and training systems. Referring to the concept of institutional complementarities, training systems and labour markets can be defined as complementary systems which are linked differently in Britain, which is defined as a liberal



market economy and Germany, which is assigned as a coordinated market economy. However, institutional perspectives lack a systematic theory on how individuals are affected by the analysed institutional constellations. Most of the times, individuals are only included in the analysis as political or economic participants or as employers and employees taking (rational) decisions for particular skill investments. There is no micro-sociological foundation of the observed institutional processes. This shortcoming prevents a systematic provision for the social-structural alignment of individuals. For example, there are no analytical means to consider social disadvantages in the process of labour-market integration resulting from earlier life-stages. Here, life-course theory allows for an understanding of how distinct institutional arrangements determine the patterns of access to skills and shape school-to-work transitions. Further it enables us to understand how individuals are affected by other social structural factors such as social inequality resulting from early education, particular family constellation or social structural characteristics, such as a migration background. Moreover, life-course research widens the institutional perspective, since it shows how the institutional framing of earlier or later life stages affect current transitions (Leisering and Schumann 2003).

Both strands of research—the one theoretically backed by the research paradigm of historical institutionalism as well as the one coming from life-course research hardly refer to each other. As Meyer and Solga (2008) argue that in the field of research on training systems:

“[t]he ongoing policy and academic debates are characterized by a high level of redundancy in describing the situation [...] coupled with a limited empirical research base and even more limited theoretical foundations. We do believe that one major reason for this can be found in the way our knowledge about skill formation is currently organized.” (Meyer and Solga 2008, 6)

One of the reasons for this shortcoming may be that there is no integrated theoretical and empirical perspective on training systems, which embraces individuals and institutional perspectives. As shown above, the analysis of skills is a good starting point for the development of such an integrated perspective. Most research on training systems share the argument that the way skills are structured or regulated differ across countries which has far reaching implications for other institutional configurations such as production regimes or labour markets as well as for individuals and the way they are socially integrated.

Customarily, the debate on the meaning of skills for the described outcomes is summarised by the term *skill formation*. In this book, a more differentiated denotation is proposed. For a more encompassing analysis of training systems and their current development there is a need for more conceptual clarity than the rough term that *skill formation* entails. The term of *skill formation* as it is used for example by Thelen (2004) or Meyer and Solga (2008) focuses on “how vocational education and training systems fit into broader national models of the political economy” (Meyer and Solga 2008, 8). Hence, the term *skill formation* is applied to describe a rather broad field. In a more detailed approach this subject entails two main perspectives. The one is the question of how skills are configured. Here there is a differentiation between specific (occupational) and general skills, whereas the main interest is on the question of to what degree skills are transferable within firms and industries. With regard to the implication for the analyses of training regimes this perspective is about how training is organised. There are for example strong arguments that specific skills are more often provided by apprenticeship and go along with a stricter stratification of training according to occupational tracks. The other perspective is on the *protection of skills* or skill investments by other (welfare) institutions. Here, the argument is on how skill investments are safeguarded by institutions such as employment- and unemployment protection, or rules and practices of certification. Finally, there is a perspective which approaches from a rather individual perspective on the *access to skills*. This notion of skills takes into account the meaning of the organisation of skills for social structural outcomes such as patterns of labour market entry.

This brief outline on approaches towards a comparative analysis of training systems showed that political economies are indicated by distinct modes of skill regulation. These modes can be differentiated in three dimensions, which are *skill protection*, *skill formation* and *skill access*. All levels are interrelated whereas the particular manner they are interrelated define the specific characteristic of training regimes in different countries. Table one summarises the main characteristic of training systems in liberal and coordinated market economies.