INSTITUTE FOR HUMAN DEVELOPMENT

School to Work Transition: The International Experiences*

1. Background

The rising youth unemployment across the world is one of the primary concerns in both developed and developing countries today. It is a serious challenge for policy makers in developing countries like India, where youth unemployment is not only high but rising over the years. There is thus an urgent need for successful evidences for smooth transition of youth from school to work to shape the future policy (Francesco Pastore and Zimmermann, 2019; Zimmermann et al., 2013, 2019). In this context, this paper attempts to document and review good practices across countries to make some recommendation in case of India.

The International Labour Organisation, *school-to-work transition report* defined School to Work Transition (STWT) as the passage of a young person (aged 15 to 29 years) from the end of schooling to the first *fixed-term* or *satisfactory employment* (ILO 2010). This transition is not always linear, however. For instance Cunningham and Salvagno (2011) find that young people across Argentina, Brazil, and Mexico leave school to spend a short time in the informal sector, move to a formal position for longer spells, and finally become self-employed.

The STW transition may be to a desired, stable outcome or to a temporary outcome in terms of employment. The transition outcomes of youth in low- and middle-income countries are weak, showing 1 in 5 youth categorized as NEET (not in education, employment or training) (Unicef 2019). Even among those who are employed, majority are in informal employment and in poor quality jobs.

A completed transition requires stable or satisfactory employment, even when the latter is temporary- or self-employment (Matsumoto and Elder 2010; Elder and Koné 2014).

Studies carried out by the ILO and the OECD, have attempted to approach the STWT as a statistical concept. The STWT, thus becomes a measurable length 'period of transition'. A survey by ILO in seven countries showed that the transition to work was almost five years in

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Egypt and over seven years in Mongolia. The transition period is often much shorter in many of the developed countries, particularly in countries where education and work-related training are strongly inter-linked.

2. Brief Review of STWT System

Three common features of SWT in different OECD countries, with focus on European countries is drawn up by Raffe (2011):

- Youth leaving initial education have a less favourable position in the labour market than more experienced workers. With youth unemployment rate at higher levels compared to adults, jobs that the youth are engaged in are also less secure and lower paid.
- Education and training system plays an important role in preparing and selecting young people for the labour market.

Table 1: Education and training systems and labour market linkages

Degree of education and training system standardisation				
School-work linkages	High			Low
	Degree of education and training system differentiation (and vocational/occupational specificity)			
	High	Low	High	Low
(a) Tightly coupled education and training/employer systems. *Strong linkage (dual system). Substantial sharing and cooperation between providers and employers in education and training delivery. As in apprenticeships. High labour market occupationalisation.*	Germany Austria Switzerland Denmark			
(b) Tightly coupled education and training/employer systems. *Collinear linkage. High levels of in-school provision of education and training specific to particular occupations, agreed with employers. High labour market occupationalisation.*	Netherlands			
(c) Loosely coupled or decoupled education and training/ employer systems with strong market signals. *Low degree of education and training provider and employer sharing of education and training provision. Low labour market occupationalisation and limited school involvement in employment decisions.*	England/Wales Scotland Italy France Portugal Finland Sweden Ireland			
(d) Loosely coupled systems with strong market signals and strong school placement function.	Japan			
(e) Decoupled education and training/labour market systems with weak market signals (from second level).				USA Canada

Source: ETF (2008)

- Education-work transitions are highly differentiated and educational attainment is typically the most powerful objective predictor of transitions.

Further, the **Standardization and Stratification** are important features for distinguishing education and training systems (Raffe 2011). Standardization refers to the uniformity of standards, such as with respect to curricula and school-leaving qualifications, across an education system. In standardized systems employers can rely on the information and transition tends to be relatively smooth, also there are fewer job changes. Stratification refers to the extent and form of tracking, especially at the secondary educational level. In stratified systems there is a tighter coupling between education and a differentiated occupational structure. In education and training systems with greater standardization and stratification, transitions are claimed to be smoother, and job changes less frequent, as the system has already differentiated young people both horizontally and vertically into tracks or pathways leading to different labour-market destinations.

The ETF (2008) report has presented the linkages between education and training systems in several developed countries where the systems have varying degrees of vocational specificity (Table 1).

In this context, we discuss below the education and training systems prevailing in the select developed or high income countries and developing or middle and low income countries for school to work transition. In particular, the discussion has been done on the basis of contrasts/similarities in their education system and transition to work (e.g. Schupp, Buchtemann, Soloff, 1994).

2.1 STWT in Developed Countries

Germany

Germany has a tightly coupled system of education and training/employer system where there is considerable sharing and cooperation between providers and employers in education and training delivery is the dual system. The school-to-work transition process in Germany, Switzerland, and Austria is known as the "dual apprenticeship system (Duales Ausbildungssystem)" because it combines practical on-the-job training with theoretical education in vocational schools ("Berufsschule"). After finishing compulsory general education, majority of the young people start an apprenticeship in a company in order to learn professional skills.

Dual Apprenticeship System

In Germany, nearly 60 percent of high school graduates train as apprentices, in fields as diverse as advanced manufacturing, IT, banking, and hospitality. More than 350 professions are officially recognized as training occupations. This combined vocational education and training is a highly valued career option and this Apprenticeship Program is widely acknowledged to be responsible for a skilled workforce that sustains Germany's international competitiveness.

Under the 'dual training' system, trainees divide their days between classroom instruction at a vocational school and on-the-job time at a company. The students apply directly to employers for apprenticeships and once accepted, employers enrol them in a local training school, called a Berufsschule. The apprenticeship usually lasts two to three years and culminates in a certification exam.

German firms spend a considerable amount of resources on the trainees, viewing

them as potential future workers. These firms also play a large part in designing the training, partly through their chambers of commerce, and Germany also has technical universities, whose main role is to equip the country's future labour force. A recent report indicates that in a systematic scale of employer engagement in the apprenticeship system in Germany, employers and employer federations including chambers of commerce provide diverse, mature, resourced, comprehensive and consistent value to education and labour market policy in a 'consensus for vocational education' and are fully involved in the local structures of the transition system through advisory boards (PYL 2015). The apprenticeship system in Germany, Austria, and Switzerland facilitates school-to-work transition for school drop-outs (Fersterer et al., 2008). It also provides a learning platform for those with low grades in school. Systems similar to the German dual system are present in several other countries, notably Austria, Switzerland, Belgium, Denmark and also in South Korea for the last few years.

United Kingdom

The system of education and training in United Kingdom has strong parallels with the German system, albeit with important differences (NCVER 2006). In both countries, a contract-based apprenticeship is a key strategy for developing occupational skills but it is more widely followed in Germany. In UK, the education and training/employer systems are loosely coupled or decoupled, with strong market signals, and there is a low degree of education and training provider and employer sharing of education and training provision. There is also limited school involvement in employment decisions. In the UK there are assessment-only pathways to qualifications.

In UK, compulsory education is till 16 years of age. After this, students may enter the workforce, gain an apprenticeship or move into further education. Vocational Educations Training qualifications are subject to quality control and National Qualifications Framework (NQF) was introduced in 2000. Each NQF is classified in one of nine levels, denoting a set of outcomes (academic and vocational qualifications). National Vocational Qualifications (NVQ) is based on occupational standards identified by industry. Assessment usually takes place through on-the-job observation and questioning by assessors who test the candidate's knowledge, understanding and performance of workplace competence.

In 2015, a new Regulated Qualifications Framework (RQF) was introduced for England and Northern Ireland with new apprenticeship arrangements, replacing the NQF. The significant change introduced in the RQF is the lifting of standardised requirements for the design of qualifications. The technical and vocational education initiative and new employer led vocational qualification was also introduced, as the government started to extend support for degree apprenticeships since 2015.

Training is provided by education colleges and learning providers in UK. The formal industry input into training is undertaken by sector skills councils. These establish links with employers in each industry sector and seek their cooperation in developing priorities and targets for various sector activities. These activities are directed towards reducing skills gaps and shortages, improving productivity, business and public service performance, and increasing opportunities to boost the skills and productivity of all employees in the sector's workforce.

United States of America

Education levels in the United States are higher

than those in several other industrialized countries. In the context of differentiating vocational and professional education, the traditional dividing line is the bachelor's degree. Education for occupations requiring less than bachelor's degree is referred to as vocational education. Education for occupations requiring at least a bachelor's degree is referred to as professional education (Bailey and Berg, 2009).

In US, the STW transition regime is termed as 'liberal' transition regime, which has no structured pathways to skilled employment, and academic qualification in terms of college education is a prerequisite for viable labour market opportunities. Vocational training is not considered as a preferable option by the youth (Schoon and Bynner, 2019). The students stay in a general/academic stream until they begin to specialize their education to obtain the specific skills that they need in their occupation. The actual preparation for STWT begins with occupational specialization starting in late high school (Bailey and Berg, 2009). The U.S term for vocational education and training is Career and technical education (CTE) which takes place at the upper secondary or high school level. But CTE system in U.S does not always aim to make students job ready (Hoeckel and Schwartz, 2010).

Employers rely on informal networks and knowledge of educational institutions to obtain information about job candidates. Occupational certification is more common at the level of professional education and not vocational education (Bailey and Berg, 2009). The deregulated labour markets of U.S implies that employers are less constrained in firing and hiring decisions. This lowers the transaction costs of replacing workers, and allows the employers to seek a more suitable employee through trial and error rather than through certification. Youth entry jobs are often low paid so the cost of employing youth is not a barrier to employment (Kuczera and Field, 2013).

Australia

The Australian education system is regulated by the Australian Qualification Framework (AQF). This is a national policy that covers qualifications from the tertiary education sector (higher education and vocational education and training). The AQF has 10 levels and links school, vocational and university education qualifications into one national system. Students can take vocational education and training programmes at secondary level schooling.

The most successful STW transitions are achieved by those who complete at least secondary level or higher education. More than three-fourth (77.6 per cent) of VET graduates who completed in 2015 were employed after training. The VET system in Australia adopts a market approach regulated by the government and independent bodies. Training takes place in classrooms, in the workplace, online, etc. The national training system has registered training providers (public or private) offering accredited courses. Government-registered training organizations comprise of Technical and Further Education (TAFE) institutes, secondary schools and colleges, universities and agricultural and technical colleges.

Private registered training organizations include enterprises training their own employees, private training and business colleges, specialist bodies providing training within their industry and adult and community organizations. There are also VET options available to school students and this offers a variety of qualifications, among which, certificates I and II provide students with basic vocational skills and knowledge, preparing them for employment such as florists, factory hands, sales assistants or bank officers. Certificates

III and IV have largely replaced the range of traditional trade certificates and prepare people for employment in roles as diverse as animal attendants, beauty therapists, plumbers, accounts clerks, professional builders, graphic designers and systems analysts.

Industry skills councils represent the input from industry in training following compulsory education (NCVER 2006). A distinct approach is the introduction of national industry or enterprise-specific training packages. Assessment of a candidate's knowledge, and performance of workplace competence takes place through practical observation and provision of evidence of prior learning.

Recent reports suggest that recruitment via apprenticeships have declined in Australia and that more than a quarter of all young people (17-24 years) are not engaged in either full time study or work (COAG Reform Council 2013 cited in The Smith Family Research Report September 2014). A large proportion of entry level jobs require not just Year 12 or equivalent, but a strong academic record of performance at high school, and/or a Certificate IV (at a minimum) as per the Australian Qualifications Framework.

Japan

In Japan, there is a system of direct placement in jobs and the nature of training provided is 'on the job training'. Education is compulsory until 15, when students can enter the workforce or go onto 'higher secondary education'. Though high school education in Japan is not compulsory, more than 96 percent of students attend this level of education, and drop-out rates are as low as 2-3 percent. Vocational school option is also available for the graduates, but there is no public support for it.

In the system of direct placement, companies select young individuals from the pool of highly qualified university graduates and provide them comprehensive training as per the company's requirements (Hori, 2007, Toivonen and Imoto, 2012). The uniqueness is the role of high school teachers and counsellors play an important, though informal yet crucial role in 'matching' good students with good jobs.Specific skills are imparted to young people through the practical experience gained in the process of the on-the-job training. The success of the system lies in the cordial relationships between schools/ universities and companies (Pilz and Alexander, 2011). This relationship between corporations and high schools is called *Jisseki-Kankei* (Hori, 2007).

Japan's educational system follows a national curriculum, whereby there are no regional variations, and all students across the country study the same content and use the same textbooks. "The slogan *gambare* – 'never give up!' – sums up a work ethic that is inculcated into each and every Japanese child from his or her earliest days at school or even at kindergarten" (Pilz and Alexander, 2011).

Since there is direct access to employment from school or university without the intermediate stage of structured and state-regulated vocational training, a state-managed system of public vocational education and training was hardly developed in Japan (Pilz and Alexander, 2011). However, the entire smooth process of school-to-work transition has also been described as the 'creaming-off' of the best applicants, marginalizing the rest (Imdorf et al., 2017).

The youth (15 to 24 years) unemployment rate in Japan is the lowest among the Organisation for Economic Co-operation and Development (OECD) countries. In 2009, the unemployment rate reached 10.3 percent for men and 8.2 percent

for women. Since 2010, the rates declined steadily, reaching 4.1 percent for men and 3.5 percent for women in 2018 (Kawaguchi and Mori, 2019).

2.2 STWT in Developing Countries

Some school to work transition practices and programmes initiated by several developing middle and low income countries are discussed below to understand the different critical components

Malaysia

The National Dual Training System (NDTS) in Malaysia started in 2005, which is similar to the dual education system of Germany but has distinct features. The basic difference is in their central goal. The German system is based on a broad and holistic role of the country's vocational education and training policy. It extends beyond the immediate concern of employability (economic function) by emphasizing overall education and continuing vocational training. In contrast, the dominant function of NDTS is economic as it is largely considered as an investment on human capital, bringing benefits in the form of enhanced productivity, competitiveness and employability to individuals, enterprises and society. Skills training is based on the National Occupational Skills Standards (NOSS).

The NDTS aims at producing knowledge workers to meet the prevailing and future requirements that include all job levels for every economic sector, and is tailored to produce workers based on industry demand, thus reducing the problem of mismatch. The NDTS is a dual training apprenticeship system which stresses the combination and interrelation of hands-on training at the industry workplace with classroom training in specialised training institutions established by the Government. Training is two years in duration, with trainees spending 70-80 per cent of their time in workplaces and the remaining 20-30 per cent in selected training institutions.

A very important aspect of NDTS is the need for close cooperation between the Government and private industry in which latter must be encouraged and convinced about the importance of investing in training of the young to ensure continued economic development of the country. However, the challenge is integrating the NOSS-based training system and the NDTS into compatible with today's workplace demands and realigning to make it more adaptable to the current realities.

South Africa

In South Africa, the STW transition effort started through Skills Development Levy Act, 1999 under which the government established 25 Sector Education and Training Authorities (SETAs) and collected a statutory levy of 1 per cent of the wage bill from each employer for funding SETAs. The levy has two fold objectives – firstly it addresses the problem of under-investment in training and secondly, simultaneously ensures broad participation by the private sector in such initiatives. SETA also functions as an accreditation agency for training providers. Under the Workplace Skills Plan, the management and the employees discuss the requisite skills and shortfalls in the workplace and the employer funds training for the staff from the accredited training provider. Currently, the Southern African Development Community Qualifications Framework has been planned to facilitate regional integration, quality assurance and global competitiveness of education and training systems.

National Qualifications Framework (NQF) was established to provide mechanism for awarding qualifications based on achievement

of specified learning outcomes. Implementation of the NQF, which includes recognition of prior learning, lies with the South African Qualifications Authority (SAQA). Learning outcomes are specified by SETAs. A skills development fund has been instituted.

The promotion of a National Standard for Best Practices Skills Development was introduced with the establishment SETAs in 2000 and the adoption of the first National Skills Development Strategy (NSDS, 2000-2005). The Department of Labour established a stakeholder process to develop a set of proposals for developing and implementing a framework for Promoting a National Good Practice in Skills Development award system.

The Implementation framework is regarded as the national standard for purposes of implementing a set of national criteria required for firms receiving the national recognition award. The framework document represents a live national standard that will continue to evolve over time – to a point where it can be a regulated National standard. Therefore all firms/organisations that meet this national criterion are eligible to receive the recognition award. The challenges are enormous as nearly one third of those aged 15-24 are not formally employed nor in education or training (NEET). Effective vocational education and training (VET) is way forward to meet the emerging challenge.

South Korea

Korea recognized the problem of inadequate investment in skill development as early as the 1970s, when it imposed in-plant training obligations for large firms. The program was reformed in the 1990s in order to ensure a mass supply of skilled workers to the industry and to protect vulnerable groups of the population from unemployment. Korea's Job Skill Development Program, under the framework of the Employment Insurance system, expanded the existing levy-grant system, whereby employers received a rebate for training of existing employees. Under the JSDP, employers provide training to insured employees, assisted by funds from the government.

The government levies insurance payments on the businesses and uses the fund to subsidize corporate training. While the government provided public training centres for self-directed training and training for the unemployed, the focus of the program was to facilitate voluntary training in the private sector. This led to an increase of over 27 per cent in training participation by insured employees in 2004. From 1994 to 2004, the number of employees trained by employers increased by almost 13 times. Following the economic crisis of 1997, there was a substantial increase in training participation by the unemployed as well. Although the scheme successfully addressed the issue of under-investment in training, it did not resolve inequalities in training since employers often chose to invest in training skilled employees.

Major Policies and Plans (2016) aims to increasing the percent of students in vocational schools to 29 percent by 2022. Also, the policy has been focusing on lowering the cost to companies of apprenticeships and on building coordination between specialized vocational upper secondary schools and junior colleges so that students have clear pathways to continue their training within specific industry areas. However, in the recent past, segmented and unstable patterns have been witnessed in the labour market contrasting the earlier linear pathways.

Singapore

Singapore's Continuing Education & Training (CET) program adopts an integrated approach that couples economic development strategies

with skill development strategies. Focusing on identified industry sectors, the CET uses a government-driven model that involves a significant level of private participation. The Workforce Development Agency (WDA) and the Economic Development Board (EDB) work closely to ensure that the CET provides the requisite skills. The EDB secures specific inward investment from abroad. With the assistance of industry sector groups (industry skills and development councils), the WDA develops strategic plans by mapping future skill requirements in each economic sector. Training is delivered through the CET centres under the Singapore Workforce Skills Qualifications (WSQ) system and its network of training providers. The WDA designs the curriculum, ensures quality control and works with partners including employers, industry leaders, unions, governmental agencies and training organizations to offer training through a Skill Development Fund.

Skills Future Initiative came as a national movement to emphasize the need for skills relevance with objectives of (i) Integration of education, training and career progression; (ii) Promotion of industry support for individuals to advance based on skills; and (iii) Efforts to foster a culture of lifelong learning. The programmes and initiatives under Skills Future are grouped by beneficiaries: students, early career employees, from mid-career employees and older, employers, training providers/adult educators. The programmes for students include-- education and career guidance; enhanced internships; individual learning portfolio which is a one stop online portal for education, training and career guidance to assist the individuals in planning their education, training and career; and the young talent programme or overseas immersion program for polytechnic and ITE students. Special Education (SPED) offers special training pathways and work options for students with different disabilities. It helps graduates from SPED schools to transit successfully to employment. Technical Education and Skills Development Authority (TESDA) continuously updating many training regulations to meet the growing demand for relevant and quality technical-vocational skills training.

Brazil

Youth Employability Program in Brazil is an integrated approach that has fostered the development of professional skills and has helped youth to become proactive socially engaged citizens. The program methodology allows a rapid response to changing market demands, incorporating technical and life skills together with professional counselling to increase youth's capacity to obtain and retain jobs.

USAID/Brazil Youth Employability Program is successful at forming partnerships with the private sector and encouraging companies to employ disadvantaged youth. Brazilian employers found that, when afforded both technical and life-skills training, disadvantaged youth bring vitality to their companies. This mutually beneficial commitment is a key ingredient to sustaining growth and generating employment. This programme aims to achieve inter alia increasing productive/formal employment and income generation capacity of the impoverished youth to promote their social and economic inclusion and Brazil's economic growth.

Some African Countries

Under the Decent Work Agenda in Africa, 2007–2015, successful action undertaken by the ILO and its tripartite constituents across Africa to operationalise the Decent Work Agenda through technical cooperation over the last four to five years has resulted in success stories in **Kenya** and **Zimbabwe**. "*The project is assisting local communities in selected districts of rural and urban*

areas, in collaboration with the governments, employers' and workers' organizations, to create one thousand decent jobs in each of the countries. To do so, the project supports entrepreneurship development through vocational skills and business training, offers technical and financial support to local job creation schemes, and strengthens small enterprises and cooperatives".

A case of business linkages between MSMEs and large corporate companies in **Zambia** is yet another successful example. This was a systemic enterprise development approach, which acknowledges the inter-dependence between stakeholder groups within a given socio-economic system. At the macro-level, the programme works through stakeholders with a mandate to define and coordinate a conducive policy and regulatory framework for 'doing business' within the system boundaries. This includes relevant government ministries, statutory bodies, and national umbrella bodies.

Effective STW transition through career information and guidance for youth employment in **Egypt** is a success story**.** The achievements of the Public Employment Services Offices in five project sites include: Providing career guidance to a total number of 12,000 young people and employing 9,000 young persons in various enterprises with variable qualifications.

Supporting social economy enterprise development in **South Africa** has been successful that helped strengthening the capacity of local organizations to facilitate and provide both financial and non-financial social business start-up support services. This was achieved through community level research, the development of new training programmes and other reference materials, capacity building of business support agencies in the pilot areas as well as through social business plan competitions which incorporated training in the new training programmes.

Reinforcement of skills for youth employment and rural development in **Benin, Burkina Faso and Zimbabwe**—an Africa Commission's concrete initiatives, was implemented by the ILO. The Commission addresses ways to create employment for young people through private sector-led growth and improved competitiveness of African economies. Vocational training and facilitating access to the labour market in **Senegal** was another successful case. The project's strategy is to support vocational training centres by using ILO tools, such as Start and improve your Business. In addition, the project promotes and supports innovation in technical and vocational education, including testing of the competency-based approach (CPA) as well as the employability approach. The competency-based approach requires that trainers analyse the relevant current environment and labour market needs from which they determine contents and competencies to be achieved in the instructional programme.

3. Outcome of School to Work Transition

About 20 per cent or every 5th youth globally resides in India compared to only 6 per cent living in five largest developed countries of the world namely Australia, Germany, Japan, UK and USA**.** These five developed economies are considered as a good example of education and labour market systems. Hence, these countries are compared with India in the context of the STW transition systems and evaluated across a range of selected indicators. The developed economies chosen are comparable in terms of economic development, industrialization, prominent STW transition system and other economic indicators.

Table 2 illustrates how similar the five world's largest economies are in terms of relative economic indicators and differ significantly compared to India. The per capita income of

Table 2: Comparison of some economic indicators in selected countries

	India	Australia	Germany	Japan	UK	USA
GDP per capita (PPP in $)	6,997	53,469	56,278	43,236	48,698	65,298
Services as % of GDP	49	66	63	69	71	77
Manufacturing as % of GDP	14	6	19	21	9	11

Source:World Bank Database, 2021

the developed economies is 6-9 times higher than India and is dominated by the services sectors, while Japan and Germany have a larger Manufacturing sector. This difference in economic composition probably explains why these economies have been able to provide better education and work opportunities to their children and youth.

Table 3 provides a comparison of the few education indicators for each country. The developed economies are clearly similar in terms of average years of formal schooling, and proportion of adults completed at least upper secondary level education. Further, there is high participation in vocational/technical training in developed countries compared to negligible proportion in India. The share of education expenditure to GDP in India is almost similar to Japan indicating that other factors such as systems of education to work transition may play a greater role in these countries.

The outcome of schooling for any youth is transition in labour market resulted either in employment or unemployment. Work participation rates indicate the level of employment for youth or adults in the labour market. Table 4 shows that work participation rate in advanced economies (about 60 per cent) is little more than India (54 per cent). But, there is significant difference in work participation rate between youth and adults in India, unlike in the advanced economies, which may reflect poor school to work transition in

Table 3: Comparison of selected education data

	India	Australia	Germany	Japan	UK	USA
Education expenditure as % of GDP	3.8	5.1	4.9	3.8	5.4	4.8
Adults average years of formal schooling	6	13	13	12	12	13
Adults completed at-least upper secondary (%)	27	78	84	80	77	90
Youth completed vocational/technical training (%)	2	20	21	-	19	-

Source: World Bank Database, 2021 and UNESCO, 2021

Table 4: Comparison of selected employment data*

	India	Australia	Germany	Japan	UK	USA
Work participation rate (%):All (15+ yrs)	46	63	60	61	61	61
Work participation rate (%) :Youth(15- 24 yrs)	21	60	48	47	50	51
Work participation rate (%):Adults (25+ yrs)	54	63	62	62	63	62
Employment in non-agriculture (%)	59	97	99	94	99	99
Employment in services (%)	33	78	72	71	81	79

Source: ILO Statistics, and National Labour Force Surveys, 2019
Note: For international comparison the youth age group is taken 15-24 years.

Table 5: Comparison of unemployment rate (All, Youth, Adults)

	India	Australia	Germany	Japan	UK	USA
Unemployment Rate (%): All (15+ yrs)	5	5	3	2	4	4
Unemployment Rate (%) :Youth (15- 24 yrs)	22	12	6	4	11	8
Unemployment Rate (%):Adults (25+ yrs)	2	4	3	2	3	3
Ratio (Youth/adult)	9	3	2	2	4	3

Source: ILO Statistics, and National Labour Force Surveys, 2019

India compared to the others.

The adult and overall unemployment rate is very low in India as well as other developed countries. But the youth unemployment rate in India is 2-5 times higher than other developed countries (Table 5). When evaluating School to Work transition systems, researchers often point to specific criteria such as a the unemployment rate and the ratio of youth unemployment to adult unemployment rate as an appropriate measure because it is less affected by economic events and country specific events such as the labour market rigidity, economic fluctuation and change in terms of trade. The ratio for India is 3+ times higher than other developed countries, particularly Germany and Japan, which have the least value, implying relatively low STW transition in India.

Two more important outcome indicators of STWT are proportion of NEET and inactive youth. The share of NEET youth is very high in India compared to other developed countries, this share is least in Japan and Germany. The inactive youth include those who face employment difficulties may be inactive instead of unemployed. The line between unemployment and inactivity is fuzzy and, wherever it is drawn, frequently crossed. Youth are particularly likely to drop out of the labour force when jobs are hard to find, whether for study, leisure, illicit activities or inertia. The inactive population is also relatively more in India than other developed countries and least in Australia. In particular, female youth are very high compared to their male counterpart both in NEET and inactive category in India. This indicates their vulnerability in the labour market

Table 6: Comparison of youth NEET and youth Inactive

	India	Australia	Germany	Japan	UK	USA
Youth NEET (%)						
All	30	9	6	3	11	13
Male	14	9	5	3	10	13
Female	47	9	6	4	11	14
Youth In-active (%)						
All	73	32	49	51	43	44
Male	58	32	46	51	42	43
Female	90	32	52	50	44	45

Source:ILO Statistics, and National Labour Force Surveys, 2019

and also poor school to work transition in case of India only. These results clearly indicate that India needs to take a lesson from the practices adopted by those developed countries.

4. Policy Relevance for India

Indian government has taken several steps in the past and recently also announced the new education policy to improve the situation of education to work transition in the country. The review and analysis shows that there are some well-established good systems of STWT in developed countries such as dual system with apprenticeship of Germany, dual/hybrid model of USA, and other model of placement either by employers or schools/colleges or training institutions. The placement is usually subject to strong standardization and stratification of the education or training system in a country. However, one cannot claim that one system is superior to others; every system has its own positive and negative aspects.

The dual/hybrid STWT transition system has worked well for Germany in the past, especially in the latter part of the 20th century. However, it may be struggling to deal with the 21st century business environment. While there is smooth labour market integration with minimization of unemployment via the apprenticeship route, there are some disadvantages. Labour-market outcomes of apprenticeship are not consistently superior to other forms of vocational learning. There is lots of heterogeneity in the quality of apprenticeships, the size of the company or firm involved, and wages paid to the apprentices (Fersterer et al., 2008). Where apprenticeship is offered alongside a large school-based vocational education sector, as in Austria, France and the Netherlands, it may become the lower-status route (OECD, 1998 cited in Raffe 2011). The apprenticeship system is also highly dependent on the economic condition of the firms providing training. In small-sized firms, apprentices are considered as cheap labour, and despite two years of hard work, apprentices continue to be paid low wages in the third year of training (Solga et al., 2014).

Applying the apprenticeship system for low-income countries such as in South Asia is likely to run into the barrier of the costs of financing apprenticeships and there is the challenge of persuading employers to offer enough apprentice places, especially during recessions when employers cut back on recruitment and training (OECD, 2000 cited in Raffe 2011). In Denmark, since the nineties, there has been a problem of non-completion in vocational training programmes (Olofson and Wadensjo 2012). In addition, it is argued that the dual system leads to easier transitions in the short-term, while school-based training may prepare people better for occupational or career change. Therefore, copying the dual system may not be the best path to improving any other STWT transition system. Thus, it is necessary to consider the balance between different good systems of make an efficient education to work transition process.

In the systems in UK and Australia, there is huge participation of private sector in the school to work transition, but India lacks adequate participation of private sector or industry in the school to employment transition. Although apprenticeship system exist in India, it has not been very successful even after several modification and encouragement efforts to private sector and industry. Private sector engagement is critical in successfully facilitating school-to-work transition. This is proven in countries that have historically integrated the participation of the private sector and other social partners in implementing TVET like in Germany, UK and Australia.

Other important factors to consider in India are a huge informal sector and low level of participation in higher or secondary and above qualification as well as vocational trainings. Youth Guarantee as introduced for NEET youth in Europe is another policy option that India can consider for reducing NEET, but it would involve outgo of considerable resources.

Overall, there is need for a multi-stakeholder partnership involving the public and the private sectors, that would bring the successful transition of youth from those engaged in informal to formal employment by providing them required assistance whether skill up-gradation or any other financial help to start self-employment.

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