

Contributions to school-to-work transitions: vocational training, skill mismatch and policy

1361

The persistently high youth unemployment rates in many countries are of major concern in society and a challenge for researchers to provide evidence for policy-making (Francesco Pastore and Zimmermann, 2019; Zimmermann *et al.*, 2013). Recent interest has concentrated on a better understanding of the role of specific institutional features of different school-to-work transition (SWT) regimes in affecting the youth labor market performance (Pastore, 2015a, b).

To foster this academic debate, the Global Labor Organization (GLO) had created in 2017 the GLO School-to-Work Transition Cluster under the leadership of Francesco Pastore. From this initiative, a first set of seven research papers were published in a special issue on “Advances on School-to-Work Transitions” (*International Journal of Manpower*, Vol. 40, No. 3) edited by Francesco Pastore and Klaus F. Zimmermann. In a second round, seven additional contributions in this special issue, Part II, deal with the role of vocational training, overeducation and skill mismatch and labor market conditions and policy for the SWT. We provide a brief guide into the value added to our understanding of this important process.

Vocational training

A significant part of the literature expects from vocational education or training an important role in SWT. Is it more important than general education? This crucial question is addressed by Huzeyfe Torun and Semih Tumen (Do vocational high school graduates have better employment outcomes than general high school graduates?). They attempt to reveal causal effects of vocational high school education on employment relative to general high school education using Turkish census data. Initial OLS estimates support the superiority of vocational training for employment performance, but the findings get only qualified backing by instrumental-variable (IV) estimates. While the effects are still positive when IV methods are employed, they are only statistically significant for measures capturing the availability of vocational high school education but not for the inclusion of town-level controls or town fixed effects.

If vocational training is relevant, it should be the focus of significant policy measures. An innovative study by Elena Cappellini, Marialuisa Maitino, Valentina Patacchini, Nicola Sciclone (Are traineeships stepping-stones for youth working careers in Italy?) documents the role of traineeships as an active labor market policy in Italy. The evaluation study relies on administrative data where a counterfactual approach was used to compare trainees to unemployed young people registered with Public Employment Services with respect to employment success measured as hiring, job quality and persistence. The paper concludes that traineeships may delay the transition to work, but can open youngsters’ perspectives for a quality career in the long term.

To broaden and complete the picture, Irene Brunetti and Lorenzo Corsini (School-to-work transition and vocational education: a comparison across Europe) examine the impact of the types of vocational education across 11 European countries using the 2009 and 2014 European Union Labor Force Survey. Eichhorst *et al.* (2015) had classified vocational education and training strategies into school-based vocational education and training (as part of upper secondary education), formal apprenticeships, and dual vocational training: Which vocational systems show better results? Multinomial probit models provide indications that dual vocational training speeds up SWT and the vocational focus is particularly effective here.



Overeducation and skill mismatch

Skill mismatches including overeducation are important aspects of SWT affecting labor market success in many ways. Two further studies dealing with those issues in a more global country setting are involving data from the Lebanon and Kyrgyzstan. Ghassan Dibeh, Ali Fakih and Walid Marrouch (Employment and skill mismatch among youth in Lebanon) were estimating a bivariate probit model where employment status and skill mismatch perceptions for the labor market were jointly modeled. Employability and skill mismatch were found jointly determined for males and the core region only.

Kamalbek Karymshakov and Burulcha Sulaimanova (The school-to-work transition, overeducation and wages of youth in Kyrgyzstan) study overeducation and the impact on wages using Mincer type OLS regressions. The propensity score matching method is applied to deal with potential unobserved heterogeneity. Mismatch in the SWT process is studied employing the Kaplan-Meier failure analysis. Tertiary education correlates highly with being employed with a good match. Overeducated workers reflecting the required level of education for a certain position receive lower wages than those with suitable matches. However, those individuals judging their education or qualifications to be larger than necessary have higher wages.

Labor market conditions and policy

Are local labor market conditions an important driver of post-compulsory schooling decisions and how this vary by gender? Elena Francesca Meschi, Joanna Swaffield and Anna Vignoles (The role of local labour market conditions and youth attainment on post-compulsory schooling decisions) investigate this using the 2006/2007 wave of the Longitudinal Study of Young People in England survey coupled with individual-level attainment and school-based data available through national administrative databases and local labor market data. Their nested logit model shows that the most relevant factors behind post-compulsory schooling decisions are expected wages, current educational attainment and attitudes to school and parental aspirations.

How can labor policy foster the fast integration of young individuals into the labor market? Stefan Sonke Speckesser, Francisco Jose Gonzalez Carreras and Laura Kirchner Sala (Active labour market policies for young people and youth unemployment: An analysis based on aggregate data) provide a paper using European Union 27 countries Eurostat data for 1996–2012. The findings suggest that wage subsidies and job creation programs have reduced youth unemployment effectively. However, the 20–24-year-old unemployed benefit more than the very young.

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