From Controlling to Constructive: Youth Unemployment Policy in Australia and The Netherlands

FRANS MEIJERS* and KITTY TE RIELE**

*Meijers Onderzoek & Advies, Prinsenlaan 24, 6542 TB Nijmegen, The Netherlands, email: t.meijers@worldonline.nl
**Faculty of Education and Social Work A35, University of Sydney, NSW 2006, Australia, email: k.te.riele@edfac.usyd.edu.au

Abstract

Youth unemployment is an issue that has increasingly troubled western countries since the 1970s. This paper provides data on youth unemployment in Australia and the Netherlands, and discusses government policy in both countries. The rate of youth unemployment was similar in both countries in the mid 1980s, but since then it has declined dramatically in the Netherlands, while changing little in Australia. Youth unemployment policy in Australia has been driven by the concept of obligation, while in the Netherlands youth unemployment policy has been organised around the principle of a guarantee for youth. The Dutch labour market programme offers more continuity and coherence than the rather ad hoc Australian programmes. However, the paper argues that youth labour market policy in both countries is of a controlling nature, and does not serve marginalised youth. Moreover, policy in neither country meets OECD criteria for effective labour market programs. The paper concludes with the description of a Dutch program which, to a large extent, does meet the OECD criteria, and demonstrates that a more constructive approach to youth unemployment is possible.

Introduction

Youth unemployment is an issue that has increasingly troubled western countries since the 1970s. In an effort to learn from each country’s successes and mistakes, comparative research has been popular. Much of this has taken place under the auspices of the Organisation for Economic Cooperation and Development (OECD), including reports on the school-to-work transition (e.g. OECD, 1989, 1996, 1999a). Specific two-country comparisons also exist in the broad domain of youth, secondary schooling and employment (e.g. Bynner and Roberts, 1991; Gaskell, 1995). Comparative studies, then, are not unusual in this field, as they not only help to avoid repetitive effort, but also because a comparison encourages a different and often insightful perspective on one’s own country.

In this paper we will compare youth unemployment policy in Australia and The Netherlands. Despite the obvious difference in geographical size, these countries have similar populations: around 17 million and 16 million respectively.
Both nations developed as welfare states post Second World War, have experienced significant socio-economic re-structuring in the past two decades, and are now characterised by post-industrial economies.

Starting from similar youth unemployment percentages in the mid 1980s, we examine the strongly differing policies in these two countries. These policy directions are, we argue, largely responsible for the current wide gap in the proportion of unemployed youth in Australia and The Netherlands. One major difference in approach between the two countries is in the relations between government, unions and employers’ organisations. In Australia, the relations between unions and employers’ organisations have been largely adversarial, which is reflected in Australian politics. The Labor Party has traditionally had a strong link with trade unions (although this is beginning to shift), while the Liberal/National Party coalition has more affinity with employers. The resulting mistrust by employers of Labor policies (Finn, 1999), and by the unions of Coalition policies, has affected the opportunity for coherence, cooperation and sustainability in youth unemployment policies.

In contrast, in The Netherlands affinity has traditionally been based on religious or ideological basis. For instance Protestant employers have tended to cooperate with Protestant unions, rather than with Catholic employers. With the increasing secularisation of Dutch society, opposition on the basis of religion has dwindled, but the legacy of cooperation between employees and employers has remained. This resulted in the contemporary ‘polder model’ in which the government, trade unions and employers organisation work together to achieve economic and social goals.

In Australia the only similar construction was the annual ‘Accord’ used by the Labour government in its economic policy during the 1980s, but this was an agreement with the trade unions only (not including employers) (Finn, 1999). The current (conservative) federal government aims to involve business and community organisations and service providers in policy development, but does not mention unions (e.g. see FaCS, 2001a).

This contrast between the more adversarial socio-political relations in Australia and the more cooperative relations in The Netherlands is partly responsible for distinctive differences in youth unemployment policy, as will be shown later in this article. However, in The Netherlands as well as in Australia youth unemployment policy is dominated by a ‘control perspective’. As a consequence sizeable groups of youth are marginalised in both countries. Therefore, while the youth unemployment rate is lower in The Netherlands than in Australia, policy in both countries could be improved. Criteria developed by the OECD (1999b) will be used to judge the youth unemployment programme in both countries. In the final part of this article we will draw on the successful experiences of a project for so-called ‘at-risk youth’ as an illustration of a constructive youth unemployment programme, which meets the OECD criteria. By not merely
criticising existing policy as controlling, but also suggesting what a constructive approach might entail, we hope to make a contribution whereby ‘the actual [is] reinterpreted and reconstructed in the light of the possible’ (Alexander, 1990, in Russell, 1999: 103).

Youth unemployment: facts and figures

Australia as well as The Netherlands enjoyed a buoyant youth labour market until the mid 1960s, when structural changes in the economy and the availability of migrants for factory work led to a decreased demand for young unskilled labour (Irving et al., 1995; Te Grotenhuis and Meijers, 1993). The decline in work for unskilled youth continued during the 1980s and 1990s. For instance, while the overall decline in manufacturing jobs in Australia in the 1990s seems small, at 2 per cent, the decline for 15–19 year olds and 20–24 year olds was massive, at 41 per cent and 23 per cent (House of Representatives Standing Committee on Employment Education and Training, 1997: 27). Veendrick (1993) gives almost the same figures for The Netherlands.

In relation to the statistical data, three terms will be used in this paper: young people or youth (15–24 year olds), teenagers (15–19 year olds) and young adults (20–24 year olds).

As Table 1 shows, Australia had a slightly lower overall unemployment rate in 1985 than The Netherlands, while unemployment amongst young people is practically the same. However, by 2000 overall unemployment is lower in The Netherlands than in Australia, and the difference in youth unemployment rates is considerable: 7 per cent in The Netherlands versus 16.5 per cent in Australia. While the risk of unemployment is higher for young people than adults in both countries, both the size of the risk and the contrast are starker in Australia.

Some groups of young people are more likely to be unemployed. In The Netherlands this includes youth from Surinam, Turkish and Moroccan
TABLE 2. Youth participation in full time education and labour market, percentage of the age group.

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<td><strong>Full-time education</strong></td>
<td></td>
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<tr>
<td>15—19 year old</td>
<td>67.7</td>
<td>88.2</td>
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<tr>
<td>20—24 year old</td>
<td>19.2</td>
<td>45.3</td>
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<td><strong>Full-time labour force</strong></td>
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<tr>
<td>15—19 year old</td>
<td>22.9</td>
<td>11.0</td>
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<tr>
<td>20—24 year old</td>
<td>61.0</td>
<td>54.0</td>
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backgrounds who had an unemployment rate of 12.1 per cent in 1999 (CBS, 2001a). In Australia, the unemployment rate for migrant youth was 20 per cent in 1998 (ABS, 1999a) and 22.6 per cent for young men (age 20—24) of Aboriginal or Torres Strait Islander background (Long, Frigo and Batten, 1998).

Figures from the OECD confirm the general picture described here, giving credence to the national figures (see Table 1). We will use national data in this article, as these provide more detail than OECD statistics. Measurement of unemployment is comparable between the two nations. In particular, in both countries the unemployment rate is measured by comparing the number of unemployed people to the number of people in the labour force, rather than in the population as a whole. This is especially relevant when interpreting data regarding teenagers, as the majority of these are not in the labour force but in education.

Full-time labour force participation is much higher in Australia than in The Netherlands, especially for teenagers: 22.9 per cent compared with 11 per cent (see Table 2). Nevertheless, labour force participation of young people has steadily declined in the last two decades in both countries. For instance, between 1985 and the late 1990s the percentage of the working population aged 15—24 dropped from 23.9 to 18.6 per cent (1999) in Australia and from 18.9 to 12.6 per cent (1998) in The Netherlands (ABS, 1999a; SCP, 1998: 355).

The main reason for this decline is the increase in school retention, which was evident in both countries from the early 1980s onwards. In The Netherlands, participation in education has decreased somewhat since 1995, influenced by the strengthening labour market. Nevertheless, as Table 2 shows, participation in full-time education remains much higher in The Netherlands than in Australia, amongst both teenagers and young adults. For teenagers this may be partly explained by the higher age of compulsory schooling in The Netherlands. In Australia (in most states) education is compulsory only until age 15, or the end of junior high school. In The Netherlands full-time education is compulsory up
TABLE 3. Proportion of the young population participating in general secondary and secondary vocational education, percentages.

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<td></td>
<td>General secondary education (High school)</td>
<td>Secondary vocational education (TAFE)</td>
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<tr>
<td>15–19 year old</td>
<td>51.3</td>
<td>11.2</td>
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<tr>
<td>20–24 year old</td>
<td>0.2</td>
<td>8.7</td>
</tr>
<tr>
<td></td>
<td>37.4</td>
<td>40.9</td>
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<td>0.4</td>
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to age 17, while part-time (two days per week) education is compulsory up to age 19.

The relationship between participation in education and youth unemployment is two-fold: when youth stay in education longer, they are not ‘available’ to join the labour force and unemployment queues now, and moreover are less likely to become unemployed once they leave education with higher qualifications (OECD, 1998). While this is valid for both countries, there is a difference in the preferred pathway for the transition from education to work. In The Netherlands preparation for work traditionally takes place within full-time education, especially the well-developed system of secondary and tertiary vocational education. The ‘royal road’ to the labour market runs via secondary vocational education, which is completed around age 20 for most young people in The Netherlands. Table 3 shows the proportion of teenagers and young adults participating in general secondary and secondary vocational education.

Australia has a different history of preparation for work, which helps explain the lower proportion of both teenagers and young adults in secondary vocational education (Table 3). Up to the 1970s it was common for young people to enter the labour market directly at age 15. Learning occurred on the job, for some via apprenticeships, but more often informally. This tradition was shattered with the dramatic loss of youth jobs and industry restructuring from the mid 1970s onwards. The majority of teenagers (73 per cent, ABS, 2002) now complete the senior secondary years in high school.

Traditionally the purpose of general senior secondary education in Australia was to provide an academic curriculum for a small elite who would continue on to university. High schools have adapted to the dramatic increase in the senior population by introducing vocational subjects. Although these have proved popular (around half of the senior secondary population takes some vocational subjects) they do not enjoy the same status as academic subjects (Te Riele and Crump, 2002). Completion of senior secondary education has almost become a
minimum requirement for the labour market: it has been shown to reduce the risk of unemployment in the first year after leaving school from 34 per cent to 12 per cent (Lamb, Dwyer and Wyn, 2000).

Research evidence in both Australia and The Netherlands suggests that a number of youth in full-time education would prefer to work (Dwyer, 1996; Kirby, 2000; Meijers, 1990, 1992). In The Netherlands they may be at school only because it is compulsory (due to the higher age of compulsory education, see above). Furthermore, teenagers have taken shelter from unemployment in school and have turned to education to increase their chances on the labour market. In Australia they have also been forced into schooling since July 1999 due to the withdrawal of unemployment benefits from 16 and 17 year olds (more on this below).

Research in The Netherlands has shown that only a small group (estimated at 5 per cent) of unemployed youth are content to be without work and make little or no attempt at gaining a job (Spies, 1998; Te Grotenhuis and Meijers, 1993; Ten Have and Jehoel-Gijsbers, 1985). Similarly, Australian research has shown that only 7 per cent of unemployed people (all ages) had declined a job offer (in a seven months period), and the vast majority said they would look for work even if the government did not require it (Tann and Sawyers, 2001).

Youth unemployment policy

Australia

Since the introduction of unemployment benefits by the federal government in 1945 some form of activity test has always existed. From the mid 1980s job search requirements increased as a result of the view that income support which allowed people to be relatively passive made them dependent on welfare and unlikely to find work (Saunders, 2002; Tann and Sawyers, 2001). When a Coalition government of Liberal and National (conservative) parties took power in 1996, they implemented an unemployment policy characterised by tightened activity requirements and monitoring of compliance, and a reduction in the role of the government. Labour market programme expenditure was cut by 24 per cent in the first Coalition budget (Finn, 1999). Relevant new policies include the introduction of the Job Network, the Youth Allowance and Mutual Obligation.

The Job Network consists of agencies which help unemployed people to find work. These replaced the government-run Commonwealth Employment Service in 1998 through a competitive tendering process, which is repeated every three years. Moreover, agencies are paid partly on the basis of their success in moving clients off income support. Major services offered by the agencies are Job Matching, Job Search Training and Intensive Assistance. Job Matching involves canvassing employers for vacancies and referring suitable unemployed people to them. Job Search Training involves training in techniques such as
writing resumes and interview skills. Intensive Assistance is individually tailored support for long-term unemployed people (DEWR, 1999). The replacement of the government service with a tendering process means lack of continuity, and lack of clarity about which organisations provide services. Evaluation of the Job Network revealed that young job seekers in particular are confused about the provision of services and about their own obligations (DEWR, 2000a).

The Youth Allowance (YA) replaced a whole range of separate social security payments for young people in 1998. The reasons for introducing the YA were (DSS, 1997a, b; Newman and Vanstone, 1996):

- to make income arrangements for young people simpler, especially for young people who move between study, work and unemployment;
- to make families support their children to the age of 25, or until they have achieved financial independence;
- to encourage young people to stay in education by removing the financial incentive to drop out early even at the risk of unemployment.

The Youth Allowance is tied to a parental means test and paid to parents rather than the young person if they are under age 18, unless the young person is considered independent. Independent status may be granted due to a young person’s homelessness or having a dependent child. Young people not considered independent are required to be in full-time education or training until they have completed Year 12 or turned 18 (DSS, 1997a, b). In other words, most unemployed youth under age 18 are no longer eligible for benefits. Many teenagers who had the choice between loss of benefits or education opted for the latter, with 6,400 teenagers under age 18 returning to full-time study in the year after the introduction of the Youth Allowance (FaCS, 1999).

Nevertheless, around 50 per cent of 16–18 year olds do not receive Youth Allowance benefits (FaCS, 2001b). Most of these are in full-time education, but are not eligible because their parents are considered to be too wealthy. The number of teenagers not in full-time education or training and not receiving Youth Allowance, and thus lost to the welfare system, is unknown. Qualitative research suggests these teenagers are likely to have changed schools frequently and to have left school as early as Year 9 (age 14 or 15). They survive by doing odd jobs, living off family and friends and engaging in criminal activity (Stokes, 2000).

At the end of 1997 the Coalition government introduced the principle of ‘Mutual Obligation’ to unemployed people, initially only those aged 18–24, but since then extended to those aged 25–34. The principle denotes that:

in return for unemployment payments, job seekers should make a contribution back to the Australian Community that supports them. (DEWR, 2000b: 1)
Approved activities for Mutual Obligation purposes (DEST, 2002) include participation in a Work for the Dole project, a community service programme, part-time work, voluntary work, approved training (for instance in literacy), or government assistance programmes. Besides participation in such an activity, Mutual Obligation also entails signing a contract called a ‘Preparing for Work Agreement’ which mandates a minimum number of job searches and performing other duties such as recording job searches in special diaries and attending interviews with social security staff. Breaching of the ‘activity’ requirements in Mutual Obligation leads to an 18 per cent reduction in payments for 26 weeks. Subsequent breaches result in harsher penalties, with the third and subsequent activity breaches leading to non-payment of benefits for eight weeks (Tann and Sawyers, 2001). A recent review found that penalties for breaches not only cause hardship, but are also too often implemented unfairly and make it harder for people to find work (Pearce, Disney and Ridout, 2002).

During 1998/1999, 50,000 18—24 year olds went through a Mutual Obligation interview and 42,000 ultimately signed an agreement. Of those, less than 28,000 actually undertook an activity. Two-thirds of those who did arranged part-time or volunteer work themselves, while one-third entered government programmes such as Work for the Dole or literacy and numeracy training (Abbott, 1999b). The then Minister noted that several Work for the Dole projects were experiencing difficulty in filling available places (Abbott, 1999b). This may be due to young people’s reluctance to fulfil requirements (as the Minister saw it), mismatch between projects and unemployed youth (for instance in terms of locality), and the fluidity of young people’s participation in education and work (when young people find work or return to education, it is no longer necessary for them to undertake a Mutual Obligation activity).

The federal government views as its own obligation the provision of income support, but not the securing of jobs for unemployed youth (Kerr and Savelberg, 1999). The philosophy behind the federal government’s welfare policy is that young people must give something back to the community and that they must learn to help themselves and become ‘self-reliant’ (Tann and Sawyers, 2001). The government argues that making people do something in return for their benefits is helpful because it counters negative community stereotypes of unemployed people as parasites on society (also see Saunders, 2002). In policy and in the media young people are increasingly referred to as being ‘at risk’ of failing to make the transition to adulthood. This has connotations of deficiencies in young people themselves (whether of knowledge, qualifications or motivation) and of a fear in society of unemployed and ‘at risk’ youth (Cormack, 1996; Dwyer and Wyn, 2001). It is, therefore, not surprising that government youth and unemployment policy tends to be of a controlling nature.

However, the government has also set up a number of programmes to assist (especially young) people to remain in or return to education or
training, or to find work. Participation in some of these programmes fulfils Mutual Obligation for unemployment youth. These programmes include the Jobs Pathway Programme, New Apprenticeship Access Programme, Language Literacy and Numeracy Programme, Job Placement, Employment and Training Programme, Green Corps, Job Search Training, Full Service Schools Programme, Career and Transition Pilots, Partnership Outreach Education Model Pilots as well as specialist programmes for rural and indigenous youth. While setting up such programmes is a constructive move, the multitude of programmes has led to confusion and inefficiency. Moreover, the replacement of some programmes with new ‘pilots’ and the need for competitive tendering mean there is lack of continuity of funding for the organisations which actually offer the services. This results in even more confusion as well as loss of expertise and rapport when organisations lose the government contract to provide services.

Undoubtedly, these programmes provide benefits to young people in terms of providing information about education and work options, brokering of traineeships and jobs, delivery of courses and referral to welfare services. Evaluation studies report on positive feedback from young people, schools and employers (Kellock, 2000; Strategic Partners, 2001). On the down side, there is some evidence that young people are moving from one project to another, with little coherence between projects nor a clear pathway to ongoing work or study:

The courses became a matter of compliance with the Youth Allowance requirement rather than a path to future employment. (Stokes, 2000: 15)

Unfortunately, quantitative indications of the extent to which young people are indeed supported to stay within education or move into work through Mutual Obligation programmes are minimal. Some results provided by the government itself include:

• one-third of participants in Work for the Dole pilot programmes had unsubsidised work within three months (Abbott, 1999a). It is unclear, however, whether jobs obtained were casual or permanent, and part-time or full-time.
• the number of Work for the Dole places doubled from 25,000 in 1998−1999 to 50,000 in 2000−2001 (DEWR, 2000c); but the benefit of this is unclear with the relevant Minister declaring in 1999 that several Work for the Dole projects were experiencing difficulty in filling available places (Abbott, 1999b).
• young people (under age 21) who undertake some paid part-time or casual work have a much better chance of exiting income support within one year: 55 per cent compared to 38 per cent of those who do not have some paid work (Flatau and Dockery, 2001).

Despite this lack of quantitative information, one figure is clear: the youth unemployment rate has climbed from 14.5 per cent in 1998/1999 (when the Youth
Allowance and Mutual Obligation had just been introduced) to 16.5 per cent in 2000/2001 (ABS, 1999a, 2001).

**The Netherlands**

The labour market and employment policy based on negotiation between unions, employers and government in The Netherlands in the past 25 years has seen one constant: the continuous emphasis on moderate wage development.

Measures aimed at reducing (youth) unemployment similarly show an ongoing agreement that the central government has a major responsibility for the re-integration of unemployed people. The trade unions contributed by agreeing to moderate wage development while employers invested substantially in vocational education. The government has carried out its responsibility mainly through the creation of subsidised jobs in the public sector. In the past decade three measures are of specific importance.

Firstly the so-called ‘job-pool’ was introduced in 1991. This provides work for unemployed adults with the government. Most jobs are as caretaker in schools, community centres and old age hostels. Participants earn the official minimum wage and mostly work 36 hours per week.

Secondly the Youth Guarantee Act (JWG) started in 1992, although it was preceded by several similar initiatives in the 1980s. Participation is compulsory for all young people who have been registered as unemployed for more than six months, up to age 21 (and up to age 23 for school leavers). Instead of social benefits the youth are given a guaranteed job. If a young person refuses a job offer the Social Service can stop their benefits for three months. The length of a JWG-job is six months, with the possibility of extension for another six months. As long as transfer to a regular job proves impossible, young people are allowed to use JWG provision up to age 27. Subsequently they can move into other re-integration arrangements. JWG jobs are mostly with the government, in education and in social services, and take up 19—32 hours per week. Participants earn the minimum youth wage, which is 70 per cent of the minimum wage for a 24-year-old.

Finally in 1995 the ‘Scheme for additional employment for the long-term unemployed’ was created. Jobs created under this scheme are called ‘Melkert-jobs’, after the then Minister of Social Services and Employment. During 1995—1998 40,000 additional jobs were created for long-term unemployed people, especially in health services, public security, childcare, education and care for the environment. Most jobs are in the major cities. On average, Melkert-jobs are for 32 hours a week and pay a maximum of 120 per cent of the minimum wage.

The central government pays most of the costs of the ‘job pool’ programme, and all of the costs of JWG- and Melkert-jobs. The government considers this worthwhile due to the direct savings in social benefits and indirect savings in health care and crime prevention.
The number of people in subsidised jobs increased steadily until 1996/1997. Table 4 shows that during 1990–1996 the employed labour force increased with 500,000 people, while the number of people in subsidised jobs increased with 73,000. In 1997 a total of 180,000 people were in subsidised jobs (87,000 of whom are people who are physically or mentally disabled). This is almost 3 per cent of the total working labour force (SCP, 1998: 385). As a result of job growth the number of people in subsidised jobs has declined somewhat since then. The sectors where most subsidised jobs were created could not afford to pay the full cost of these jobs, but the subsidised jobs are real in the sense that they involve necessary tasks with valuable outcomes.

Underlying the JWG are two central and explicit notions. The first is the idea of a ‘integral approach’: all unemployed young people are made an offer aimed at training, work experience and work. The second is the assumption that gaining work experience has a positive effect on the prospects of (young) unemployed people on the labour market. This effect is expected to be part direct and part indirect: ‘direct’ in that through a work experience placement an essential work ethic is attained, ‘indirect’ in that a placement will motivate some young people to return to education and gain a qualification.

Research evidence suggests that the goal of the integral approach is not being accomplished. For instance, Verkaik and colleagues (1996) distinguish three types of participants, based on a quantitative analysis. First there is a group whose only problem is that their education does not match labour market demand, i.e. their qualification is too low. For this group the JWG turns out to be an excellent re-integration measure. Many in this group return to education or an apprenticeship after participation in the JWG.

The second group consists of youth who are unable to function in the labour market due to emotional or psychological problems. This group does not really belong in the JWG. Ironically, the JWG has led to a reduction in welfare services for youth. All unemployed youth have to report to the Employment Agency which has only one place to refer them to: the JWG organisation. This has led to a reduction in the number of clients of certain welfare organisations, and some have even been dismantled (Verkaik et al., 1996: 22).
The final group of young people lacks motivation. These youth require much attention and support from the JWG consultants (who are employed by local JWG organisations to assist young people). This support frequently falls short (Spies, 1998; Te Grotenhuis and Meijers, 1993).

Angenent and Den Heeten (1999) show that another group of youth is never offered a JWG job because they are not known to the local Employment Agency or Social Service. Euphemistically termed ‘youth in the mist’, these include youth who started truanting at a young age and who frequently changed school. The size of this group is unknown. They are lost to the JWG partly due to ineffective cooperation between local authorities (Janssen and Paulides, 1999) and partly due to a lack of knowledge about these youth at local councils (DST et al., 1997).

The second central notion of the JWG, that a work experience placement offers youth a better prospect at a job, is not true for all JWG participants either. In 1996, only 62 per cent continue on to regular work or education (Verkaik et al., 1998: 15). Many youth are dismissed from their JWG job: 19 per cent of all participating youth in 1996 (an improvement from 25 per cent in 1995). Youth from ethnic minorities have a greater chance of being dismissed than Dutch youth, even when other background characteristics are taken into account. Between 1994 and 1996, 42 per cent of migrant and 23 per cent of Dutch JWG participants were dismissed (Verkaik et al., 1998: 16; there are no figures for later years).

Perceptions of (unemployed) youth in the public debate in The Netherlands tend to be less antagonistic than in Australia, most likely as a consequence of the culture of negotiation which dominates socio-economic relations. Nevertheless a similar trend as in Australia exists in relation to the use of contracts and coercion in the relationship between unemployed youth and the government. JWG participants increasingly are asked to sign a contract in which not just their rights, but especially their obligations, are made explicit (Meijers, 1993). Compliance can be enforced by the threat of having benefits cut. Dieleman et al. (1999: 57ff.) note a shift from an emphasis on ‘instrumental responsibilities’ (such as arriving on time, meeting safety requirements) to ‘prescribed attitudes’ (such as showing a positive attitude to the work and the employer, taking responsibility).

In this way the agreement between the JWG organisation and the unemployed youth increasingly takes the shape of a psychological contract (Hoen’t et al., 1995; Martoredjo, 1997). Supervision of the young person in turn focuses on checking that he or she meets the requirements of the contract.

For many young people, the JWG has resulted in a regular job or return to mainstream education or training. However, a significant minority (around 30%) are not served so well. Often these youth are marginalised in other aspects of their lives as well, with an unrepresentatively large proportion coming from ethnic minorities. The integration offered (and demanded) by JWG does not appeal to them. Spies (1998) calls these young people ‘cynical opportunists’, i.e.
youth who are focused on survival. They exhibit a culture of resistance (Willis, 1977; Walker, 1986) aimed at immediate gratification of needs and rejecting the exchange of discipline for knowledge which is so crucial in schooling. These young people similarly resist the JWG-pedagogy, which in recent years has increasingly come to resemble a middle class model of total adaptation on the basis of a psychological contract. Such a pedagogical model only works for these youths if adaptation results in their desired outcome of earning an independent income in the short term. Unfortunately this desired outcome is less likely for these marginalised young people as this group has the worst chances on the labour market, partly due to their lack of education, partly ‘because their demands of a job are determined by the size of their problems’ (Spies, 1998: 144).

**Comparison**

Overall, policy outcomes regarding youth unemployment seem to be more effective in The Netherlands than in Australia. Firstly, the unemployment rate for young people is lower in The Netherlands, due to the large-scale creation of subsidised jobs. Secondly, more young people make a successful transition to regular work or mainstream further education from the Dutch JWG than from the various Mutual Obligation programmes in Australia, such as Work for the Dole. This is important, because (in both Australia and The Netherlands) there is evidence unemployment harms young people in their psycho-social development and in their opportunities to achieve a stable place in society (Blakers, 1992; Dieleman et al., 1999; Hardin and Kapuscinski, 1997; Te Grotenhuis and Meijers, 1993).

A major difference between the policy approaches in both countries is that the Dutch programme is organised around the central concept of a ‘Guarantee’ for youth, while the Australian programme is based on ‘Obligations’ of young people. The difference in terminology is reflected in the more coercive approach in Australia.

Further, the emphasis in The Netherlands is on a concerted effort by all social partners towards job creation, partly through subsidised jobs. While it is impossible to transplant one country’s policy approach into another nation, it certainly seems worthwhile for the Australian government to pursue less adversarial and more cooperative relations between unions, employers’ organisations and government itself, in order to stimulate demand for labour. A survey of Australian people’s views on unemployment policy found that suggestions for what the government might do to solve unemployment included giving employers subsidies to take on unemployed people (11 per cent) and creating more public sector jobs (5 per cent) (Saunders, 2002).

Finally, the approach to youth labour market programmes varies between the two countries. The Dutch programme is provided through an integrated government service. The Australian programme relies heavily on a variety of
projects and services run by external agencies, which are contracted through a competitive tendering process. As a result, the Dutch programme offers much more continuity and coherence than the Australian approach. The multitude of programmes available in Australia also creates fragmentation making it more likely some young people will slip through the net. It is unlikely that the competitive tendering process will be replaced in Australia, certainly not under the current conservative Coalition government. However, a major improvement could be achieved by bringing together all the various programmes under one service that is offered to all youth. Such a safety net approach has recently been advocated in a report to the Prime Minister (YPAPT, 2001), although so far the main response has been to set up two more new pilot programmes (Nelson, 2002).

The much lower unemployment rate in The Netherlands than in Australia may tempt some people to suggest Australia should attempt to emulate Dutch policy more. We have argued above that Australia could indeed fruitfully adopt some aspects of the Dutch approach. However, Dutch youth unemployment policy is problematic too. In both countries large numbers of (especially minority and disadvantaged) youth are not served well. Both countries rely on contracts and coercion through financial penalties, and thus have a policy based on control. Such policy does not create a powerful learning environment and therefore does not improve the employability of young people, especially in the long term. A powerful learning environment is defined as a learning situation which:

- offers the highest possible chance of constructive learning, that is active construction of knowledge by the student
- contains all the ingredients which appeal to and encourage (inter)active learning and which ensure that learning continues until students can give meaning and purpose to the material
- encourages the student to purposefully develop relevant learning activities which lead to constructive learning (Lodewijks, 1995).

The OECD (1999b) provides a useful benchmark for comparing the Australian and Dutch youth unemployment policies, which may aid understanding on how both countries can improve their programmes. Based on both successful and unsuccessful experiences with labour market programmes for young people, with a focus on disadvantaged or marginalised youth, the OECD (1999b) developed six criteria for such programmes. These criteria are not official OECD policy but draw on lessons learnt from research, much of which was presented at the 1999 OECD conference ‘Preparing Youth for the 21st Century’. As such, the OECD asserts, and we concur, these criteria ‘are a good starting point in any attempt to design and implement effective programmes’ (OECD, 1999b: 11).
The first criterion refers to close collaboration with local employers. In Australia, the wide variety of projects and service providers means it is impossible to make an overall judgement. Projects for young people tend to be aimed at getting them into education or training (and giving something back to the community while on benefits), so constructive relations with employers are unlikely to be of high priority. However, even if a Job Network agency or Project organiser has excellent contacts with local employers, the tendering process means that if, in the next round of tenders, the agency loses its contract with the government, then all that knowledge and rapport is lost as well. Moreover, with several Job Network agencies and Projects active in a region at the same time, as is commonly the case in metropolitan areas, competition between them may impair the establishment of constructive relations with local employers.

In comparison to Australia, the Dutch programme is less fragmented and more coherent. This means the Dutch JWG organisation has at least a better opportunity for establishing and maintaining strong contacts with local employers. Moreover, the initial emphasis in Dutch policy is on the provision of subsidised jobs, which would mandate collaboration with employers, and the national approach is based on cooperation between government, employers and unions. However, it is unclear to what extent the JWG organisation has in fact established strong relations with local employers. A negative indication is provided by the large proportion of youth dismissed from their JWG job (between one-fifth and one-quarter).

Second, the OECD indicates the need for an appropriate mix and intensity of education and on-the-job learning, preferably integrated with one another. The policy in neither country seems to meet this criterion. In Australia, some programmes integrate education and work-based learning well, but there is little consistency between programmes, and evidence of young people moving from one programme to another with little direction (Stokes, 2000). Many projects are of relatively short duration (12—16 weeks, which the OECD considers ineffective) while Work for the Dole jobs usually last six months. The JWG in The Netherlands places unemployed young people in jobs for six to twelve months. However, the assumption is that young people will learn a work ethic as well as specific skills while in the job, but no complementary education is provided, and little attention is based to the quality of learning on the job.

This leads to the third OECD criterion: programmes must provide high-quality instruction with attention paid to training and preparation of the staff involved. The JWG has trained consultants who support young people, but the people the young person works with on the job are not trained to provide work-based instruction. This is also the case for some of the activities young Australians do as part of Mutual Obligation, such as part-time or voluntary work they find themselves. Targeted programmes, such as the Jobs Pathway Programme do tend to have trained staff, but again lack of consistency is the problem.
Fourth, the OECD suggests programmes must have clear pathways to further education and training once young people complete the programme. The JWG programme is based partly on the hope that experience in a subsidised job for six months will encourage young people to return to education. Some JWG consultants undoubtedly support young people in accessing appropriate further education, but clear pathways are not built into the entire programme. In Australia, some projects are the first step to a recognised qualification, for instance under the Green Corps programme. Overall, however, the disjointed nature of activities under Mutual Obligation tend to create confusion rather than a clear pathway, although again some young people may be supported by Job Network consultants or project workers to continue appropriate education.

Fifth, programmes need to address related needs of participants such as childcare and counselling. The familiar picture of inconsistency appears in Australia, with some projects offering extensive support (for instance the Job Placement, Employment and Training Programme for homeless youth) and others simply requiring compliance with the activity without any supportive services. Within the JWG in The Netherlands, support is provided by consultants or case workers. However, this support tends to be of a superficial nature and does not include career advice or counselling (Oomen, 2002). Besides this, introduction of the JWG led to a reduction in welfare services for young people in The Netherlands.

Finally, the OECD is of the opinion that rigorous evaluation of programmes leading to improvements in the quality of programmes is needed. The lack of information about outcomes of projects in Australia is a clear sign this criterion is not met. While statistics are collated about the number of young people moving in and out of income support, there is little information about the contribution made by specific projects, let alone on how the programme may be improved. Empirical data on the effectiveness of the JWG and ways to improve likewise are sketchy, especially since 1996.

We have seen that in both Australia and The Netherlands a sizeable group of young people is not served well by youth unemployment programmes, that the policies are of a controlling nature, and that they barely meet the criteria of the OECD (1999b) for successful labour market programmes. In the final section we will point towards a more constructive approach.

**Youth unemployment policy: towards a constructive approach**

For those young people marginalised in both the Dutch JWG and the Australian Youth Allowance and Mutual Obligation programmes, an effective reintegration strategy must be based *not* on adaptation and control. Such an approach only leads to conditioning learning processes which are almost entirely tied to specific contexts and tasks (Law, Meijers and Wijers, 2002). As a result, young people
do not gain skills and competencies which qualify them for a regular job. It is essential that young people are provided with a work place where they can learn transferable skills. Billett (2002a and b) has demonstrated that such skills will only be learnt in an environment where young people gradually are given, and learn to take on, responsibilities.

In both Australia and The Netherlands projects have been developed with such a constructive approach for so-called youth at risk. Although details of the definitions vary in the two countries, central to the concept of youth at risk is that these young people do not gain the educational qualifications considered minimal for a successful transition to adult life (Batten and Russell, 1995; Van Eijndhoven and Vlug, 1998).

In both Australia and The Netherlands similar approaches have been developed in the margins of mainstream education to cater for the needs of youth at risk. An example is ‘De Pasvorm’ in Arnhem, The Netherlands. The meaning of the name ‘De Pasvorm’ may be translated as ‘Made-to-measure’. This project has realised an approach in which learning and working are closely connected. In this final part of the article we will describe De Pasvorm in some detail. De Pasvorm has won the 2000 Dutch National Education Prize and as such has been well documented. This case study highlights how a more constructive approach to youth unemployment and catering for marginalised young people is possible. Programmes for unemployed youth ultimately must take place within local and specific situations. The programme offered by De Pasvorm is not explored here for its own sake, but because it contributes to an understanding of broader issues and thus, ultimately, to social change. An ‘immersion in the practical world, with all its hazards, confusions and unforeseen developments’ (Shalin, 1992: 266) helps to ‘test’ and clarify meanings and politics. Gewirtz (2003) referred to this as ‘glocal’ accounts, which reject the universalism and determinism of earlier ‘grand theories’ in favour of more complex, dynamic and context-specific studies, without neglecting broader societal forces.

The approach taken by De Pasvorm consists of four closely associated components: practical experience, work, education and personal development. The starting point is that all ‘integration pathways’ are individually tailored with the emphasis on work and personal development. When a student enters De Pasvorm an extensive assessment takes place, over one week or more, to map the students competencies as well as gaps in their skills and knowledge. Immediately after the intake the young person starts work two days a week in a company (the practicum) and spends the remainder of the week in a practical experience workshop within the College. Currently De Pasvorm has 18 practical workshops, including several shops, a cafeteria, a carpentry workshop, storeroom, childcare centre, bicycle repair workshop, nursery and security. Each of these workshops involves work which is meaningful in the eyes of the students. Products made by the students are often sold in one of the shops, which also function as practical
experience workshops. A minority of workshops produces goods and services for the internal market, such as the administration of De Pasvorm.

In the practical workshops as well as in the intensively supervised practicums in the company the student learns to work in a realistic situation. Every fortnight the (specifically trained) supervisor visits the student in the practicum company to discuss the practicum experiences with the student and his or her immediate boss. The experiences in the practicum company determine the remainder of the educational programme. De Pasvorm assumes that the students and the company decide what learning is useful.

The practicum consists of three phases. Initially, students are accepted without intervention and their general competencies are mapped. Next, the student’s social competencies, necessary to be able to obtain and keep a job, are identified. The third phase commences around eight to 13 weeks after the student has entered De Pasvorm, and is focused on learning and practising job-specific skills. It is rare for a student to spend all three phases in the same practicum company. By the end of the second phase experiences in both the practicum and the practical workshops have indicated the type of work the student would like and is suited to. In the third phase, training for an appropriate vocational qualification can begin in a practicum company and matching practical workshop in De Pasvorm. To avoid misuse of the student by companies, they need to be actively involved in the learning process, appoint a contact person, and pay a practicum allowance to the student.

During 2000–2001 more than 500 young people have completed a pathway within De Pasvorm and over 1,100 companies in the region offered practicum places. Pathways were successfully completed by 80 per cent of students, defined as gaining a regular paid job within a year plus obtaining a vocational qualification or being eligible to start a relevant vocational training course.

De Pasvorm creates a powerful learning environment (defined above). The approach and methodology underlying De Pasvorm may be classified as ‘situated learning’ (Lave and Wenger, 1991; Wenger, 1998). In this perspective, inspired by Vygotsky, learning a vocation is first and foremost about participation in the socio-cultural practices of the specific occupational group. Research has shown that when young people are offered the opportunity for peripheral participation (without having to take on all the responsibilities of an experienced worker) they are usually very motivated to learn (Onstenk, 2000; Schell and Black, 1997). This is because they know they are on the way to full participation and the status of adult worker, but also because they can gradually develop their own insights of ‘what it is all about’ and what really needs to be learnt in order to become accomplished in this occupation. Learning itself ends up being an improvised practice: ‘a learning curriculum unfolds in opportunities for engagement in practice’ (Lave and Wenger, 1991: 93). Students also learn from each other as they are on a pathway to full participation together.
The approach developed by De Pasvorm offers authentic opportunities to obtain a regular job, accompanied by social integration, to young people who are not served well by existing youth unemployment policy. De Pasvorm is characterised by close collaboration with local employers; an appropriate mix of education and on-the-job learning; workshop instructors and practicum supervisors who have been trained to provide high quality instruction; pathways towards obtaining a vocational qualification; individual support through the personal development component; and extensive evaluation of outcomes. Thus, De Pasvorm meets to a greater or lesser extent all criteria for effective programmes set by the OECD (1999b).

The approach by De Pasvorm is successful partly because it breaks through the usual relations between education and the private sector. For the same reason, however, it may be difficult to make this approach the centrepiece of a constructive nation-wide youth unemployment policy. The existing educational logic mandates that the school determines the content and process of learning, rather than the student, practicum company and supervisor. Moreover, in post-industrial societies private industry has left basic vocational education to schools. Finally, this approach is also at odds with the restrained and even passive role governments have adopted in response to failings of the welfare state.

In agreement with the OECD we acknowledge that constructive policy change is not easy.

Policy imperatives do not, of course, change overnight. They will require sustained and coherent development involving education, training and labour market authorities, among other actors, to work together. (OECD, 1999b: 11, emphasis in original)

A constructive youth unemployment policy can only be successful if local and central governments play an active and indeed inspiring role towards all those involved (Meijers, 2001). Local initiatives such as De Pasvorm highlight that the criteria set by the OECD can be met and point to what is possible at regional, state, national and even international levels (Crump, 1995). It is up to governments to turn this possibility into reality for all young people.

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