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Master`s Thesis

**School-to-work transition process  
among (disadvantaged) young people  
and Youth Guarantee Policy in Austria  
and Finland**

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The unemployment rate has been increasing since the 2008 economic crisis with pressure on contemporary youngster school to employment transition process. However, current studies suggest that the transition path relies on the employer's side and behavioural aspects. Hence, the purpose of this thesis is to compare how the Youth Guarantee policy defines or understands (disadvantaged) young people's School-to-Work transition process in Austria and Finland. The research explores the linkage of Institutions and welfare production system that steer the transition process. The transition path is analysed using the data of Youth Guarantee Policy Paper while combining the theoretical framework of the Variety of Capitalism.

The analysis shows three significant aspects of (disadvantaged) youngsters' transition path: There are 1) institutional co-operation and complementarities between the core actors, 2) system coordination with extensive networking, and 3) the reproduction of competency. The study demonstrated certain transitional similarities, dissimilarities and variations of both countries' coordinated market economies systems. However, the findings show that corporate and regulative governance society relies on different strategic interaction. Hence, these have led to uncertainty, challenges, and social exclusion faced by youngsters. Accordingly, disadvantaged young people, particularly those with migration backgrounds, are often excluded thus resulting in devastating socio-economic consequences.

**Key words:** School-to-Work-transition process, Varieties of Capitalism, Youth Labour Market, Active Labour Market Policy, Social Inequalities, Youth Guarantee, Educational System, Policy, Political Economy

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## **List of Abbreviations**

ALMP:	Active Labour Market Policy
CEDEFOR:	European Centre for the Development of Vocational Training
CMEs:	Coordinated Market Economies.
DV:	Dependent Variable.
ESL:	Early School Leavers.
EU:	European Union.
Eurostat:	Statistical Office of the European Communities.
GDP:	Gross Domestic Product
ILO:	International Labour Organisation.
ISCED:	International Standard Classification of Education
IV:	Independent Variable.
LM:	Labour Market
LMEs:	Liberal Market Economies.
NEET:	Not in employment, education or continuing training
OECD:	Organisation for Economic Co-operation and Development.
PES:	Public Employment Service
STWT:	School-to-Work transition process.
VOC:	Variety of Capitalism.
VET:	Vocational Educational Training.
YG:	Youth Guarantee.
%:	Percentage

***“As François Mitterand expressed it: “If young people are not always right, the society which ignores and knocks them is always wrong.” And, I think, we all know why: It’s the future, stupid!” (Sarnes, 2013)***

## **1 Introduction**

Despite the education expansion of the younger generation, they still face difficulties in labour market entrance and early career path. As a matter of fact, a considerable sum of assistance and resources are required to remedy the alarming situation. There is significant attention to different countries' young peoples' transition path to employment (Eurofound, 2012: 1). In addition, the challenging discourse focuses on youths as a "lost generation", (Gambardella, 2014), inactive, and full of mismatch skills. At the same time, Ryan (2000) suggests that the transition process is a difficult matter in young people`s life path. Taking this into consideration, the current transition routes are definitely long, precarious (for example with part time job, jobs with low career opportunities and involving low work autonomy), and uncertain (Ryan 2000; Blossfeld 2007).

The transition path is a period after compulsory school until the beginning of a reliable job (Ryan 2000; cited from OECD, 1996a, and 1998c). Above all, it is doubtful that these growing life-cycle processes are solved by youths without appropriate support. However, Milmeister and Berg (2012: 18) echo in their study that the transition process concentrates not only to acquire skills, qualification, and certificates for employment purpose, but shows how youth to adult life-cycle is associated with unpredictable risks and precarious situations.

Similarly, lack of employment perspectives, poor living conditions, and inequalities have changed the process, particularly from education to working life (Milmeister and Berg, 2012). Consequently, the transition pattern runs in a less linear path (Milmeister and Berg, 2012; Dorsett and Lucchino, 2012; Fergusson et al., 2000; Fares et al., 2005: 17). In addition, there are significant of youths who are totally disengaged from the system neither in school, employment or training (Dorsett and Lucchino (2012). Similarly, several evidences show multiple of disengaged young people still in the transit phase with or without completion of compulsory education (Dorsett and Lucchino, 2012). Couple with that, such situations emerge from specific

circumstances which influenced a low-esteem attitude (Dorsett and Lucchino, 2012; Atzmüller 2012). In the light of that, they are faced with multiple forms of societal exclusion that rendered vulnerability and risks of unemployment.

Hence, the aim of this study is to understand how the active labour market measures and education system shaped young people's school to employment transition process. The research question is: *how does the Youth Guarantee policy defines or understands (disadvantaged) young people School-to-Work transition process?* Evidence and comparison are the results of the investigation and findings focused on two advanced economies, that is: Austria and Finland. Moreover, the work emphasises on disadvantaged young people School to employment transition process, between 15-24 years old.

However, previous studies have investigated the transition process by focusing on statistics of the labour market demand, and on behavioural attitude. Hence, the institutional governance, system coordination, and complementarities across the main subsystem (labour market and Education system) are pertinent activities in the process. Moreover, a comparative case study design is used to examine the process in Austria and Finland. Primary data source of the Youth Guarantee policy paper is used, where disadvantaged young people out of the education system or in uncertainties are reintegrated into the education and labour market system (European Youth Forum, 2012: 5). Equally, the data show a regulated society with institutional reproduction of competence and high skills to enter the labour market. This shows an economy governance to adjust economic shock and competitiveness. For this purpose, the outcomes are unfavourable to disadvantaged young people who faced a precarious lifestyle. Consequently, it is full of uncertainties and social inequalities.

As a result, the research paper begins with chapters two and three that review past literature of the transition. It claims that the transition process depends more on the demands of the labour market, institutional strategy to adjust economic shock, and behavioural aspects. In addition, a variety of capitalism theories show the institutional governance set up for the transition process across the main subsystem in Austria's and Finland's. Chapter four is about the peculiarity of youth labour market policy and its dynamism to fluctuate labour market entrance due to coordinated ties, lack of created jobs, and social inequalities/differentiation. This is the policy arena used in

the study to understand the transition and youth policy. In chapter five the method of a comparative case study design with a mixed approach is used to show the similarities, dissimilarities and variation of the phenomenon. Equally, the most similar case design is employed to understand the variety of the cases. Also, the process of data collection is examined through the Youth Guarantee policy paper as the primary source from selected countries. In chapter six, the collected data are analysed from a comparative and qualitative content analysis approach. They are systematically fit into a data matrix to generate similarities, dissimilarities, and variations. As a matter of fact, the findings are presented, which answers the research question about the transition path of young people in the Youth Guarantee policy document focusing on labour market measures and the education governance in Austria and Finland. Chapter seven is about discussing the findings, and finally in chapter eight a discussion and conclusion is drawn about the overview, reflection and recommendation of the study to further research on the phenomenon



***"The transition phases(...)are shaped by laws, regulations, contracts, certifications, processes of selection and negotiation, but also by faulty coordination und coincidences" (Gaupp, 2013).***

## **2 Definition of the School to employment transition Process**

In the study of youth transition process, Ryan (2000; 2001) notices the path to be uncertain with constant struggle. The above features are paramount challenges that disadvantaged youths are facing in contemporary societal structure. In fact, this experience leads to a variety of unexpected social risks such as the high rate of early school leavers and dropouts. Currently, the difficulties are considerable when compared to the past generation (Ryan, 2001: 34). Equally, several studies of OECD (1996a; 1998c) and ILO (2009) define the transition process as the period after ending compulsory school and achieved a regular job status. Therefore, it embodies sequences of youth entrance into the labour market and the socialization process. During this period, young people face uncountable social risks because of insufficient social capital to complete the process. Similarly, disadvantaged youths often end up their education career with inadequate skills, precarious employment status, and societal inequalities. Despite that, Makiko and Eder (2010:30) considered the transition path as a careful issue, because a definition determines the interpretation. Equally, particular interest to interpret the process shows the variation across country context. In addition, Elder (2009) summarised the transition as the period when young people leave school and the first time to be regularly employed. In this case, the length of time between schooling, completion, and first entry into employment, is important and varies from countries' perspectives (Ryan 2001; Makiko and Eder, 2010: 30). Thus, the variation of time, completion, and first entry into employment determined the transition process across countries (ibid).

However, the results of existing literature show a variety of publications indicating different dimensions. In like manner, a variety of researchers suggest that the transition path is related to the interaction and tension that exist between individual strategies, socio-structural, and institutional governance (Heinz, 2000a; Gaupp, 2013). Similarly, Gaupp (2013) explains that within this context individuals face opportunities and constraints in decision making as designers of their own biographies. Therefore, the process is associated with actions and decision making

within the sphere of the societal circumstances and its shortcomings (Elder, 1998). Also, Gaupp (2013) explained that there are two transaction perspectives under the premises of primarily qualitative and quantitative research approach. The former rely on individuals and it's motivation, action, and aspiration to the study, whereas the latter focuses on socio-structural and institutional frameworks (ibid). These aspects provide a template to understand the scholastic focus on young people School to employment transition process.

Equally, the most pressing issues within the process occur due to nationwide varieties of youth labour market, high-quality outcomes, and the types of institutional development that offer the best way forward for particular countries (Ryan, 1999). As a matter of fact, the variety of features play an important role that often takes place in difficult phases of the youth development process (Makiko and Elder 2010; OECD 2000). It is often manifested with multiple socialization processes, system-orientated institutions, and policy coordination that geared the transition path. Similarly, adulthood and societal participation process are partly coordinated and shaped by the transition process. With this in mind, the transition process is discussed in this study as the dependent variable, whereas, active labour market policy measures and education regime show the independent variable. During this process, the varieties of capitalism in the political economy of Austria and Finland govern the institutions across the main subsystem for corporations, coordination, and system regulation to ensure stability. Therefore, the transition process depends on corporate governance for fast action to adjust economic shock and competitiveness. In view of that, the path is liable to unequal coordination with insufficient redistribution of resources that lead to uncertainties and precarious lifestyle.

## **2.1 The unequal path full of uncertainties**

The transition path embodies an unequal path that often leads to diverse social inequalities. It is consistently steered through system coordination and strategic interaction of actors for fast action. Thus, the process shows a movement towards corporate governance, system coordination, and the regulated activities. For the purpose of that, the path can either be a smooth or an uncompleted process that shows aspects of social and citizen's right (Artzmüller, 2012). Hence, to incorporate disadvantaged young people in societal participation process, the socializing

agencies (School and the labour market) need to adjust their action towards equal governance. Conversely, Ryan (2001: 34) noted that during the process uncertainties and difficult lifestyle persist. The above features are challenges that disadvantaged youth's face with varieties of unexpected social risks such as the high rate of early school leavers and dropouts. Couple with that, the path is composed with delay and frustration that lead to vulnerability, difficult lifestyle, and (social) inequality.

With this in mind, the Youth Guarantee program is designed to tackle the uncertainties and curtail youth unemployment (EUbusiness, 2015). Similarly, it is framed to guarantee all unemployed young people under 25 years old with a job within four months of unemployment (Eubusiness, 2015; European commission, 2016; De Albacete, 2014). In spite of that, the outcome is frequently opposite to the goal of the concept and a considerable number of young people incompletely end up as early school leavers and dropouts. Equally, they are left with less educational attainment and inadequate specific skills for labour market entrance. According to Eurostat (2016), the foreign-born early school leavers in the year 2015 were 18, 4 percentage and 21, 7 percentage in Austria and Finland, respectively. In this case, young people with migration backgrounds are often knocked out of the system with insufficient labour market demanded skills (School to workEU, 2013). This situation and phenomenon are mostly faced by disadvantaged young people.

**Table 1: Early school leavers and training by foreign born citizenship between 18-24 years old.**

	2010	2011	2012	2013	2014	2015
<b>EU 28</b>	29,8	29,1	27,9	25,5	23,4(b)	22,2
<b>Austria</b>	20,4	19,2	19,4	20,3	17,1(b)	18,4
<b>Finland</b>	25.6(u)	22,9(u)		22,2(u)	22,0(bu)	21,7(u)

(u) Low reliability (b) break in time series

Source: Eurostat 2016

Comparatively, the transition process varies from studies and countries because some studies use the first entry into the job, whereas others focus on the first job with stability (Makiko and Eder, 2010). The variation justifies the design of the measures of the different countries. In this case, the approaches and methods are meant to meet up with respective country's labour market, and vocational education training systems. In like manner, Ryan (2001: 82) suggests that during this process, there are

increases of inactivity and unemployment problems amongst young people. It leads to multiple social risks faced by (disadvantaged) young people, uncertainties, and difficulties to enter the labour market. Under those circumstances, it shall lead to a high rate of early school leavers and dropouts (Ryan, 2001). For this reason, European countries such as Austria and Finland use the Youth Guarantee schemes as key projects to regulate the development of skills and education attainment (Nuorisotakuu, 2016).

Despite that, the duration before a first job entry is considered a very important determinant in the transition process. It is either in short-term or long-term that varies across countries (Ryan, 2001). The determinant is often observed from country's youth unemployment rate. Given that, in a study by Affichard 1981 and Werquin 1999, the authors determined that some countries' employment records have seen major differences that shows a decrease of first entry to work caused by the educational process and the labour market measures. In the same way, many (disadvantaged) young people incompletely end the process in prison and not the workplace (Ryan, 2001: 34). Hence, the transition process is a societal challenge. Despite that, the governments of Austria and Finland are investing considerable sums of money through "active" labour market measures to govern and systematically coordinate the actors. To get a remarkable result, they faced significant problems with the solution of corporate governance and systematic coordination of the actors.

Despite that, there are classifications and stages to understand (disadvantaged) young people transition process. It shows three categories on how to design models for surveys and examinations of the phenomenon. For this reason, the transition process embraces many long-standing issues in the form of a typology. The categorisation and typology show the independent variables that directly or indirectly geared (disadvantaged) young people transition process.

## **2.2 The categorisation of school-to-work transition process of young people**

There are varieties of categories designed to research the phenomenon. In this case, several studies (Eder, 2009: 9; ILO, 2009; Makiko and Eder, 2010; Malunda et al., 2015) summarised following three classifications which introduced a holistic methodology to guide countries find answers to the school-to-work transition process:

- i. firstly, young people are categorised as “transited” when s/he is employed with a stable job or a job without security and optimal satisfaction;
- ii. secondly, they are “in transition” when a young person has a precarious job or inactive and drop out with the perspective to re-enter into employment in a later period of time and;
- iii. lastly, young people are considered “not yet transited „when they are either still pursuing education or out of school and inactive without the interest to get employed.

Similarly, the typology is the independent variable that shows perspectives on how countries can frame their employment, training, and education process to reach a specific group of (disadvantaged) young people (ILO, 2009; Rocha, 2013). Hence, the education and training path shows the arena of the transition process. For this reason, the interconnection of “fractured transition”, schooling process, employment and training shows, the manifestation of the transition path (ILO, 2009: 9).

### **2.2.1 “Fractured Transition” patterns without securing a stable job**

According to Milmeister and Berg (2012:19), the transit patterns and process are a stimulating and complex process of a youth’s lifestyle which has become less linear and fragmented. Thus, a successful transition process is a challenging path in contemporary society, particularly by disadvantaged youths at risk (ibid). In this case, they face difficulties that lead to societal exclusion. As a result of that, couple of uncertainties prevail through this path, especially in the decision-making process that hampers the transition routes. However, it is obvious that young people are often in a development process, where they have to meet up with uncountable societal expectations. Frequently, it leads to a nonconformist decision-making approach of disadvantaged youths. Thereupon, they are equipped with insufficient specific skills from education, employment or training that endangers the school to employment transition process. Similarly, Blossfeld et al (2005) suggest that entering the labour market has become a highly de-standardized status passage involving much uncertainty. In fact, this shows that contemporary young people labour market entrance composes of diverse barriers and expectations. Most of the societal expectations are high, especially with the demand of specific labour market skills, certificates, and qualifications. In other words, (disadvantaged) young people have

inadequate and insufficient skills that fracture the school to employment transition process. Nevertheless, the experiences vary among the younger population, especially with the disadvantaged youths who are most affected and other prevalent difficulties such as the first entry into employment.

To point out, Dorsett and Lucchino (2014) examined the transition process in the United Kingdom with the aim of understanding the phenomenon in post school-leaving age. They used the tools of 'optimal matching' to identify the pattern (ibid). Hence, the result suggests that every 9 out of 10 post-16 youngsters have a rapidly positive experience and the remaining young people show a variety of histories which might call for a policy attention (ibid). Furthermore, a clear and accessible knowledge of post-16 year olds are important to reduce fractured transitional risk and uncertainties (Dorsett and Lucchino, 2014 cited from Coles, 1995; Furlong and Cartmel, 2004).

These key social risks and fractured transitions (Dorsett and Lucchino, 2012) are instances that young people pursue while meeting up with societal expectation. Hence, responding to all these systems disadvantaged young people, often incomplete the path with unpredictable endings. They are confronted with overwhelming challenges and expectations. For this reason, the fractured transition process leads to exclusion and other social risks. To put it in another way, it is always a challenge for the 15 – 24 year old young people to simultaneously combine schooling and employer expectation, peer group pressure, and institutional rules with regulations. The consequences are devastating and might likely lead to a high rate of disengagement, unemployment, stigmatization, early school leaver, and dropouts. However, the schooling, training or re-training process is part of the fractured transition which frequently results to fragmented output. Consequently, disadvantaged young people usually end up as early school leavers and dropouts with insufficient qualifications, inadequate specific skills, and certificates for entrance into the labour market. Furthermore, the schooling and training process directly shows the dependency path of the transition process. They are frequent victims of the system, the coordinated process, and its institutional governance that knocks out youth with insufficient skills. Hence, they face difficulties entering into a labour market, which requires high and specific skills, competence, and competitiveness.

### **2.2.2 Education governance as catalyst to stable job**

The acquisition of specific skills is considered as a prerequisite of young person's entrance into the employment (ILO, 2013). In this case, it directly plays a pertinent role in the transition path. In other words, there is a large amount of evidence` in Austria that suggest formal qualifications are prerequisites to get a stable job for young people (ibid). This shows that access into the labour market is guaranteed through specific skills acquisition and educational qualification. To put it differently, lack of these labour market entrance prerequisites tends to lead to social exclusion. However, (disadvantaged) young people, especially those with migration backgrounds are often at risk of marginalisation. For this purpose, they often leave school path uncompleted with low educational attainment that does not suit the labour market expectation.

To end that, Austria and Finland manage the deficits with the Youth Guarantee measure, clustered under education and training, employment services, and active labour market measures (European Youth Forum, 2012; Bussi, 2014; OECD, 2015). Despite that, unsuccessful transitional result involves the decision of the young person's educational path (Dorsett and Lucchino, 2012). Therefore, education and training are vital parts of disadvantaged young people's school in employment transition process. As a result, most young people face many difficulties after finishing compulsory school with the age of 15, when they are systematically selected for further education such as in the case of the Austrian education system. Also, at 15 years, most young people are experiencing puberty, seeking for self-identity, and self-decision-making perspectives. In most cases, they are faced with educational expectations which are full of capitalistic and bureaucratic structures. These aspects coupled with other factors disturb their schooling process, rendering them vulnerable to drop out and thus, insufficient qualification. Hence, this shows that disadvantaged young people are often entangled to couple of risky dilemmas that steer their decision-making process during the transition path.

Despite that, there are several distinctive features that link youth labour market system with the educational governance to geared young people`s school to employment transition process (Dorsett and Lucchino, 2015). In this view, staying longer in education, vocational training or re-training reduces the risk of unemployment. Also, the investment and guarantee of youth education indicate equal

possibilities to participate in the labour market (European Youth Forum, 2012: 5). Thus, the issue of education is a vital aspect of young people's school to employment process. In light of that, specific skills are acquired that fulfil the prerequisite to labour market entrance. Contrarily, disadvantaged young people are often dropouts with inadequate qualification and skills. Also, their link between schooling and the labour market activities shows a disappointing result with an increasingly high rate of unemployment. This misfortune is typically compensated through measurable benefits of individual training and educational upgrading via active labour market measures (Grubb, 1996). The early labour market programmes provide (disadvantaged) youths with possibilities to receive a job offer, training, and reintegration assistance into the labour market (European Youth Forum, 2012). Besides, they will have the means to access suitable education and increase their chances to enter the labour market.

In fact, early school intervention leads to exclusive performances in general and vocational education reforms in pre/post-secondary level (Ryan 2001). In this case, the Authors Stern and Wagner (1999) and Stern (1999) stated that the explanation is as a result of apprenticeship, change of curricula, work experiences, and corporation between school and companies. All of these aspects are blueprints of the Youth Guarantee measure to secure equality of opportunity in the labour market system (European Youth Forum, 2012). However, young people with inadequate specific skills usually face long-term unemployment. Equally, the latter leads to socio-economic stagnation, ill health, and the rise of diverse social risk factor that negatively affect youth's transition path (ibid).

As has been noted, in order to manage, coordinate, and regulate young people's school to employment transition process, countries embark on active labour market measures. Hence, this is to guarantee education and training with assistance, job search, and coaching such as the case in Austria and Finland. These measures show the result of the educational governance and the employment regime through purposive support and guidance to coordinate and regulate the path.

### **2.2.3 Employment regime and purposive training of labour force**

According to the European Youth Report (2012: 7), the youth unemployment over the past decades shows an increasingly higher rate than other segments of the



population. This is partly due to the high rates of dropouts of disadvantaged youths in many countries including Austria and Finland (OECD, 2015). Equally, young people lack specific skills to enter the labour market that leads to vulnerability and common victims of last in and first out phenomenon (European Youth Report, 2012). This situation leads to frustration and desperate decision-making process that steer the transition path at risk of disengagement. As a result, the European countries implemented a Youth Guarantee measure to institutionalise an active labour market policy to target (disadvantaged) young people (Bussi, 2014). For this reason, the framework and implementation shows the interplay of the labour market, education governance and other actors that geared the transition process (ibid). However, the core commitment to steer the transition path is to offer, guide, and assist young people with training, job, and placement to regulate and adjust the economy.

Despite that, young people's employment experiences are associated with precarious job opportunities and unavailable vacancies. That is to say, the problem runs wide and deep with long-term unemployment (Ryan 2001). Thus, young people's inactivity is a result of lack of perspectives and unemployment status. However, this shows that the young people's labour market segment is incorporated with multiple disadvantaged and social inequalities. Indeed, there have been diverse policy successes and failures to tackle the transition path (ibid). According to Ryan (2001) and Bussi (2014), vocational education training and apprenticeships have been the successful programs to increase the steering of young people from school in employment. Despite that, Ryan (2001) explained that certain failures still prevails in the labour market transition policy which includes ineffectiveness and the damaging interventions' impact to the disadvantaged young people. Also, there are an increasing number of dropouts and unemployed (ibid). Besides, Ryan (2001) observed following three policy defects: (i) Firstly, some of the programs are ineffective that worsened the entrance perspectives; (ii) secondly, training at work place and experiences displaced regular employment with precarious jobs, and (iii) finally, the programs create room for passivity, reluctances, and demotivation/disengagement of the labour market. Similarly, the differences of the national institutional governance lead to ineffectiveness towards the regulation of the transition path (ibid). These aspects directly steer the transition process to vulnerability, (long) term unemployment, and diverse societal risks. In this case, extra

education and training are offered to young people in the development of skills, capabilities, and employability to enter the labour market.

Contrarily, Makiko and Elder (2010) suggest that sufficient education is not a privilege of a smooth school in employment transition process. This justifies the assumption that there are other institutional factors that prevent the successful transition process of disadvantaged young people. Hence, these are pertinent issues such as lack of social capital and a solid network, which placed (disadvantaged) young people vulnerable to social exclusion. Despite education, training or re-training, most of the countries lack enough jobs offers to absorb (disadvantaged) young people labour force. This trend is also observed in Austrian and Finnish youth labour market first entry data.

However, the active labour market measure is employed as a programme to regulate employment through training and schooling (Bussi, 2014; European commission 2016). The Nordic countries were the first to carry out youth employment policies in the 1980s that primarily geared a successful transition process and prevented long-term unemployment (Bussi, 2014). For this reason, the focus of the approach is to reduce unemployment, support young people with placement, and employment service in post formal education or unemployed period (European Youth Portal, 2014; European commission, 2016; European Commission, 2012: 2). Therefore, every disadvantaged young person shall receive a training, job offers, and placement to the respective situation (EUbusiness, 2015).

Although Austria and Finland pursue similar approaches, varieties persist with regards to their respective welfare state production models. However, Austria focuses on the idea to offer young people with training possibilities, apprenticeship perspective, and easy youth connection to the existing public employment service (European Youth Forum, 2012). Similarly, the Finnish perspective is to guarantee and provide every unemployed young person under 25 or those just graduated up till 30 years old with stable jobs (European Youth Forum, 2012). Nevertheless, these variations depend on types of social welfare production systems, conditions, youth's motivations, (European Youth Forum, 2012; OECD, 2015) and national institutional governance that exists in the selected countries.

As shown above, Austria and Finland are highly industrialized countries spending a considerable sum of the Gross domestic product to active labour market policy.

Hence, the school to employment transition process of disadvantaged young people is steered through education and training governance. In fact, the transition path is geared via institutional governance, corporations and coordination of firms/actors. Thus, specific skills and competence are produced as a regulative mechanism for economic adjustment and competitiveness. Nevertheless, disadvantaged young people often complete the process with insufficient employer`s demanded skills and at risk of social exclusion. With this in mind, plural capitalist countries exist that pursue different political economies to coordinate or uncoordinated market economies.

Hence, Austria and Finland differ with regard to their social production systems, but are similar in their approach towards the coordinated market economy. Therefore, there are plural types of capitalism perspective that exist in the political economies of European countries. Also, this shows that in a coordinated or uncoordinated market economy young people transition process are geared by the systems. For this purpose, the social and conservative democracy approach of Finland and Austria respectively, provides theoretical information to understand (disadvantaged) young people`s school to employment transition process.

### **3 Studying the plurality of Capitalism types in political economies**

Capitalism is not singular but plural because there are many different types in comparative European societies. For this reason, Hall and Soskice (2001) explained that the concept is useful for understanding different functionalities and mechanisms of capitalistic countries' political economies. Hence, the different types of capitalism in Austria's and Finland's political economy approaches are suitable concepts to study and understand (disadvantaged) young people's school to employment transition process. However, the core actors are firms with emphasis on capitalist economies to adjust economic shock, competitiveness, and inflation (Hall and Soskice 2001). During this process, firms, individuals, employers and other actors play an important role in adjusting changes, competing globally, and sustaining countries' performances (Hall and Soskice 2001)

In the study of Ebbinghaus and Manow (2001), the authors explained that in the core of country's political economy, the differences in approaches of capitalism show that coordinated market economies work differently from liberal market economies. As a matter of fact, the proponents of the numerous types of capitalist approach are to investigate the cross-national variation and linkage in their respective fields of the social production system (ibid). In this study, the social welfare production system on the labour market and the education system are taken into consideration. In addition, the different capitalism perspectives involve an aggregate parameter of the national political economies (Rhodes et al. (2007). Nevertheless, it also shows a micro-foundation view of cross-national capitalistic organisation and adjustment. Hence, at the centre of the model complementarities of institutions and coordination of systems are very important (Rhodes et al 2007; Kang, 2006). In this case, institutional subsystems that control capital and labour form a capitalist regime that mutually reinforce each other (Rhodes et al 2007; Kang 2006). Similarly, Kang (2006) emphasises that the plural types of capitalism contain a solid coordinating and cooperative subsystem that guarantees firm's competitive performances. Correspondingly, several authors like Hall and Soskice (2001) and Kang (2006), show the basic principles as the result of institutional governance where firms are remitted with comparative advantages according to their activities. These advantages deliberately increase the competitiveness of the system, generate, and enable adjustment paths to adjust economic pressures and societal change (Kang, 2006; Rhodes et al). In this case, the numerous types of capitalism show firms competitive

linkage and the advantage of institutions during competition of national economies. (Rhodes et al (2007:5). However, the latter is an important aspect to the complementarities that exist between the institutions such as industrial relations, training system liaisons, corporate governances and intercompany relations (ibid). Hence, these features determined the core relationship of the political economy and it`s interplays/interconnections to geared (disadvantaged) young people school to employment transition process in Austria and Finland.

Despite that, Kang (2006) emphasizes that at the centre of the different types of capitalism, two distinctive capitalist models are distinguished by a coordinated or uncoordinated political economy. With this in mind, specific variations still exist between the coordinated market economies which distinguished the governance of the transition process (Ebbinghaus and Manow, 2001). Also, these distinctions represent an ideal-typical model of economic governance that shows the peculiarity of different countries capitalism regimes with different institutional governance throughout the existing sub-systems (Ebbinghaus and Manow, 2001). However, if a distinct national models competing in a global economy remains dominant, a solid institutional cooperation and coordination remains the most suitable approach to regulate and effectively steer the transition process (ibid).

As a result, several case studies across countries national economies show the differences and distinction of coordinated market economies and liberal market economies (Soskice, 1991; 1999). Thus, the subsystem diversifications are the modalities that geared young people transition path. As a result, Ebbinghaus and Manow (2001) illustrated following variation of coordinated and uncoordinated market economies in table 2 below:

**Table 2: Two VoC: Uncoordinated vs. Coordinated Market Economies**

	<b>Uncoordinated market economy</b>	<b>Coordinated market economy</b>
<b>Prime examples</b>	USA, UK	Germany, Japan, Austria, Finland
<b>Financial and economic governance</b>	Short-term financial markets Equity financing (shareholder value); limited business Coordination, antitrust laws	Long-term patient capital debt financing (stakeholder value); strong business associations inter-company networks
<b>Production system</b>	Low-skill production; mass products; numeric flexibilisation	High-skill production; high-quality products; flexible specialisation
<b>Management-labour relations</b>	Decentralised bargaining; contentious workplace relation	Coordinated bargaining; statutory worker representation
<b>Training and employment</b>	General education; short tenure, high turnover and inter-firm mobility	Vocational training; long tenure, low turnover and intra-firm mobility

Sources: Hollingsworth and Bayer (1997b); Soskice (1991, 1999); Ebbinghaus (1999)

Likewise, Blossfeld et al. (2005) explained that coordinated market economies are characterised by strong commitments, corporation, and intensive collective ties among the prevailing actors. These attributes and commitments are manifested in the interrelation and corporate governance of the institutions, firms, and social system of production such as the labour market system and education regimes in Austria and Finland. Hence, young people transition path is systematically coordinated. Equally, is the dependency of inter-firms relationship to produce competency for competitiveness. In effect, the core competency is to incorporate skills and ability that are challenging and huge task for disadvantaged young people. Henceforth, the transition path is exposed to social risk and uncertainties. As a matter of fact, the political economies of Austria and Finland coordinates the transition routes through extensive relationships and strong network that is monitored with the exchange of information (Klimplova 2007).

Contrary, uncoordinated market economy is composed of competitiveness and competition among actors (Kang, 2006; Hall and Soskice, 2001; Rhodes et al. 2007). Similarly, in response to such a market, actors react with regards to their want to demand, supply of goods or services that are often based on neo-classical economics (Halls and Soskice, 2001).

As a result, the different types of capitalist approach show that different institutional governance and complementarities regulate and connect different types of companies' rational attitude and models of investment (Kang, 2006). Also, this takes place in the investments of skills and the interplays of vital actors (Ebbinghaus and Manow, 2001). Therefore, due to rational behaviour, industrial workers often gain a specific skill that is valuable in the long run (ibid). Contrarily, when it is not the case employees can find employment with another company on same wages. However, strong unemployment protection via labour market law and collective agreements in Austria and Finland may convince employees to stay employed even in difficult times.

Nevertheless, the proponents of the liberal market economies, state that its labour market is viable to profit making capital that pave way for firms to radically innovate new products (Kang, 2006). In addition, Kang (2006) argues that the motives of this economic type composed of "switchable assets" that is valuable and can be converted for manifold goals and objectives. In this case, firms rely heavily on the market relation of employees and employers to decide the labour force (Hall and Soskice 2001). That is to say, they rely on a competitive market and global economic perspective for wage regulation and economy adjustment (Hall and Soskice 2001). Thus, they have a highly fluid labour market structure that enables a relative easy perspective to dismiss workers (ibid). These strategies encourage people to invest in general skills that are transferable across plants and not company-specific skills (ibid.). Furthermore, the education and training governance are typically complementary with the immensely irregular labour market system. In addition, vocational education is an entity of formal education institution that focuses on general education because firms are reluctant to invest in apprenticeship trainings (Hall and Soskice 2001). For this reason, the emphasis is laid on "certificate" in general skill and not specialized competencies (ibid). General education is considered to be high and low cost of supplementary training exist that enable firms to embark on an approach of in-house training (ibid). As a result of that, further

training is insured to the employee's expectation that lead to a general skills labour force suitable for growth in the service sector (ibid). Couple with that the inter-firm skills are influenced by market relation and formal contracts that plays fewer roles in technological transfer (ibid). Apparently, there are different models of institutional complementarities existing on the sub-spheres of this market regime (ibid). Thereupon, companies that cut down costs are complementary to financial market agreement within the flexibility to render profitability (ibid). On the other hand, educational arrangements that prefer general skills are complementary to highly irregular labour market (ibid).

Contrarily, in Coordinated Market Economies there are strong intercompany ties, long run employment measures, and strong behavioural rules (Kang, 2006: 5). Therefore, the logic of the coordinated market economies (such as Austria and Finland) rotates on specific skills or assets that depend on active inter corporation among actors (Kang, 2006; Hall and Soskice 2001a; 2001b). Firms resolve problems with inter-company strategic interaction that geared young people school-to-work transition process (Hall and Soskice 2001). In addition, the process depends on supportive institutions that function as actors in the transition process (ibid). Hence, in this economy governance the financial system is coordinated that offer firm with financial access known as patient capital to enable company keep a skilled workforce during economic downturn and lucrative project investment (ibid). Moreover, there are high network systems that link the managers and technical staff to enable information flows and to check the progress of business affiliations (ibid). Also, they have a highly regulated labour force and strong industrial relationship that shaped young people transition process (Gould et al. 2015). Similarly, Halls and Soskice (2011) claim that the labour market of this economy governance markedly relies on high industry and specific skills that depend on education and training governance that offer such workers. With this in mind, the coordination of strategic interaction among the actors pose a significant problem as employees need job's assurance after apprenticeship, and firms investing in training need compensation with skills employees (ibid). For this reason, there are strong employers' associations and trade unions that subsidised and monitored the training system, and companies (such as in Austria and Finland) that nurture an "inter-company relations" to support a number of institutions (ibid). Moreover, there are effective vocational training schemes in support of industrial-relations system to give high level of industry-specific skills.



As has been noted, due to the key concept of coordination and complementarities, the varieties of capitalism types are able to show an inter-institutional strategic relation that geared young people school-to-work transition process (Kang, 2006). Thus, system coordination and institutional complementarities show a strong linkage that binds the complexes of a social welfare production system such as the labour market and education governance. The interplay and interrelation of these governances steered (disadvantaged) the transition process in Austria and Finland. Hence, the two different types of capitalism (i.e. Coordinated and uncoordinated Market Economies) in the political economy of Austria and Finland regulate the transition process. In other words, it emphasizes the systematic coordination of actors (firms, institutions, organisations), the system of social production (labour market systems and education), and institutional complementarities (Hall and Soskice, 2001) govern the transition. As a result, disadvantaged young people face varieties of uncertainty, social exclusion, and difficulties in labour market entrance. However, the youth labour market policy embodies laws and policies to guide and regulate the transition process. However, different labour market policy approaches exist in the two types of capitalist countries. These differences show a distinctive and specified model of youth labour market measures that are regulated or unregulated.

#### **4 The distinction of Youth Labour Market Policy**

In a study of Hall and Soskice (2001), the authors described Austria's and Finland's political economy as a coordinated market economy. In spite of that, Austria belongs to a conservative corporatist welfare regime, whereas, Finland is a Nordic or social democratic welfare state (Kettunen 2010: 225; Esping-Andersen 1990). Thus, Austria's social security is regulated based on contribution that serves as entitlement to unemployment benefits (Ludwig-Mayerhofer and Wroblewski 2004). This shows that the participation to measures such as youth training is strictly eligible for unemployment receivers. Conversely, disadvantaged young people are knocked out of the system that affects their school to work transition path. In contrast, Finland's social security regime supports a universalistic, solidaristic, and redistributive welfare regime (ibid).

However, both countries' labour market is regulated for the competitiveness and adjustment of the political economy. Similarly, they embark on active labour market policy reforms as a strategic approach to governing and stabilising the economy. For this reason, Hofer and Weber (2006) described the active labour market policy approach as a measure to reduce unemployment with target activation policies above benefits provision. However, the Austrian's youth labour market policy concentrates to offer young people with good vocational training and support to obtain education or supplementary qualifications (ibid). Also, Ludwig-Mayerhofer and Wroblewski (2004) emphasises that Austrian active labour market policy consists of measures to generate job supply match with the demand through coaching, support and placement from the Public Employment Service and other subsidised job agents.

Similarly, Finland's youth labour market policy emphasises training measures and offers unemployed young people with the possibility to take the standard training program (Oloffon and Wadensjö 2012). For this reason, employment grants are significant to Finland's youth labour market schemes as private companies receive funds from hiring an unemployed young person when they guarantee a job (ibid). With this intention, the "Sanssi Card" is designed to subsidised firms with wages that employed unemployed youth in Finland (Minister of Education and Culture 2012). By all means, the concept of activation shows the backbone of youth measures towards increased flexibility, individual adaptation to the measures, and a range of coordination between the labour exchange, social insurance, and social service

(Oloffon and Wadensjo 2012). Thus, it assures effective use of public funds and expansion of the measures peripheries (ibid). Likewise, it is a program for the training of apprentices that young people benefit through vocational and supplementary education training (ibid). Also, Finland’s activation policy is part of the social guarantee to support and assist young people with job placement (ibid). However, the peculiarity of Finland’s youth policy is designed to support young people, improve their lifestyle, empower, and actively include them in the society (Minister of Education and culture 2012; 2016).

Despite activation, in July 2016 the youth unemployment rate was 11, 3 percentages in Austria and 21, 7 percentages in Finland (Statistic Finland 2015; Austria Ministry of Labour, Social Affairs and Consumer Protection 2016; AMS 2016). Although, Austria and Finland spend a considerable sum of budget for the active labour market policy measures to systematically coordinate the economy. According to OECD (2016), Austria and Finland public spending on labour market training was 2, 89 percentage and 2, 2 percentage of Gross Domestic Product in 2014 (see table 1), respectively

**Table 3: Public spending on Training in LM (Yearly total of % GDP, 200-2014**

	2010	2011	2012	2013	2014
Austria	2.18	1.98	1.97	2.16	2.20
Finland	2.71	2.39	2.39	2.63	2.89

Source: OECD Data (2016)

In spite of the huge public expenditure on training, both countries still have a relative high rate of early school leavers and dropouts, even though the numbers are minimal in Austria. In this case, Ryan (2001) argues that the transition path shows two changes in the youth labour market, which limit the employment of low educational achievement and the mixed match of labour supply. Hence, this dilemma has contributed to the uncertainty of disadvantaged young people’s school to employment transition process with consequences of dropouts (ibid). Equally, both developments potentially extend the transition process differently across comparative national economies (ibid) reproducing societal inequalities and labour market fluctuation.

#### **4.1 Fluctuation of young people`s labour market entrance**

Global youth labour market is a growing challenge for every country due to diverse macro and micro conditions. Hence, to focus on countries internal labour market, young people are frequently at risk to face job scarcity, uncertainties, and lack of specific skills (Ryan 2001). They are usually the first to get in and first to be out when comparing to the other age groups (ibid). For this reason, the transition process includes a path that consists of young people with insufficient educational performance, insufficient job offers, joblessness, and weak school to work linkage (ibid). Similarly, young unemployed people are inactive due to lack of job, frustration or other social problem, and ill-health (ibid). This dissatisfaction and experience push most young people likely to disengage from the education and labour systems with inappropriate competence (Quintini et al. 2007). Also, this will extremely affect their transition path, lifestyle, and the cost of the general society. As a result, many European countries embark on diverse labour market programmes such as the youth guarantee (for example in Austria) or social guarantee (for example in Finland) to target particularly disadvantaged youths out of formal education or unemployed (Ryan 2001: 37).

Despite that, there are labour market difficulties that are associated with young people`s age and gender in disfavour of young women (ibid). Equally important, teenagers` have limited labour market experiences than young adults, suffer pay inequalities, and follow a hazard schooling path that rendered them vulnerable to greater employment problems (ibid). Hence, to get rid of this societal problem, many countries such as Austria and Finland responses via active labour market measures to coordinate and geared the transition process. However, the regulative and corporate governance of the social production system such as schooling, vocational education training or retraining measures steer the process. Similarly, Ryan (2000) suggests a range of policies that response to young people school to employment transition problems. With this intention, countries focus on regulated or deregulated labour market programmes to tackle joblessness, inactivity, and unemployment.

### **a) Deregulated labour market policy with lack of strict rules**

A deregulated measure is characterised in terms of removing tense regulation and reducing employment protection law (ibid). In addition, it is a policy measure to increase wage flexibility that varies across countries' national systems (Blossfeld et al, 2005). Consequently, these can possible lead to youth vulnerability caused by easy job dismissal without adequate protection. Also, disadvantaged young people, especially those with migration backgrounds, face manifold exclusion. Thus, the transition path will consist of uncertainties. In view of deregulation, devastating output has occurred in young people's school to employment transition process. Hence, many have failed to end the process with precarious job, without full-time work or not absorbed from the employment service (European Youth forum, 2012: 7). In this case, they are knocked out of the system due to lack of qualifications, societal expectation, and unsuitable employment expectation. Consequently, the process of job instability has increasingly pushed youth unemployment (European Youth Forum, 2012) up the ladder societal losers. As a result, disadvantaged young people frequently face employment difficulties that endanger their transition path.

### **b) Regulated labour market policy with ties to employees protection**

Despite deregulation, there are varieties of countries with a regulated labour market policy. They embody strong corporate ties that protect employee's social rights and redistribute income with a real control of the system. Examples of these countries are Finland and Austria. Ryan (2001) suggests for this reason that regulated labour market systems consist of employment protection and fixed term contracts that are possible stipulated agendas in the policy framework. In addition, employment protection and fixed term contracts are approaching to guarantee employees social right in the subsystems (ibid). Thus, a regulated system offers security, protects, and steers (disadvantaged) young person's path to employment. Similarly, the offer, guidance, and assistance of young people make up the components of regulated active labour market policy. In fact, these are active labour market policy features to support, guarantee, and coordinates young people employment routes (ibid). Also, the Youth Guarantee policy measure of Finland and Austria are conceptualised under these perspectives.

In spite of employment and work regulation through worker's protection, employers are reluctant to create more job opportunities (ibid). Likewise, this perspective has an

indirect effect to disadvantaged youths, particularly those with insufficient specific skills and low educational levels. They will definitely face job difficulties and employment possibilities. As a result, the process will be uncertain and full of vulnerabilities that policy-makers frequently consider to design suitable programs. Despite that, disadvantaged youths often remain in waiting rooms (Artmüller, 2012) with lack of experiences at risk of social exclusion and inequalities.

#### **4.2 Social Inequalities and Societal Differentiation**

Social inequalities have been one of the controversial debates in past and modern contemporary society. Thereupon, inequality differs from one country to another, within each country, and shows significant socio-economic inequalities (Blackburn, 2008: 250). In Addition, we live in an unjust world with lots of disparities and inequalities (Kerbo, 2011: 49). In this case, there are many unfair societies with unequal redistribution of resources (Warwick-Booth, 2013; Kerbo, 2011: 49). Despite that, social inequalities depict societal disparities with unequal redistribution of resources and power positions.

Also, the evolution of social inequality and stratification arose from the idea and concept of differentiation. In this case, social differentiation occurs when specific people possess special societal roles and individual advantages like specific skills required to be employed. Coupled with that social differentiation is constructed in terms of biological characteristics that differentiate people in every society by social roles, work tasks or occupation (ibid). Thus, social differentiation emphasizes and sets the stage for social inequality and stratification about the unequal distribution of resources, relevant social risks and stratification in the society (ibid). In the same way, it has an aspect of comparative culture in between people that can emerge from group or individual societal status (Wareick-Booth, 2013: 2; Kerbo 2000). In like manner, Kerbo (2011: 51) states following three interrelated major distinctions of social inequality: (a) honour (b) economic influence and material rewards; and (c) military, political or bureaucratic power (ibid).

On the contrary, social stratification means that human beings in social positions are placed higher to those in the lower rank (Kerbo, 2011: 51). Hence, social stratification shows the hardiness or institutionalisation of inequality as a social system determined by people`s possession (Kerbo, 2011: 49). In view of that, the system made up the

layered of hierarchy. For this reason, the distinction indicates that people and groups with certain positions will become more influential, respected, and accumulate huge share of goods and services (ibid). To put it another way, young people with inadequate specific skills are at risk of societal exclusion and will face alteration towards their transition path. Thus, their transition process will be hindered and cause unemployment.

After all, the transition path of (disadvantaged) young people has been a predominant discourse in the contemporary socio-political arena. It shows how institutional governance steers young people's transition path through system coordination and strategic Inter-company Corporation with complementarities for fast action. Evidence of the plural capitalism in the political economy has proven it as actor-centred from it two types known as liberal market economies (LMEs) and coordinated market economies (CMEs). Hence, these two categorical approaches show that governance premises gear and redistribute human resources in cooperation with the social welfare production regimes such as the education system. Despite that, disadvantaged young people frequently leave the path to employment uncompleted. Under those circumstances, young people's school to employment transition process has been coordinated from the labour market side with behavioural aspects.

Thus, the next section of this study examines and compares Youth Guarantee policy paper as the study empirical data source. The purpose is to show the findings and answer the research question about (disadvantaged) young people School to employment transition process in the Youth Guarantee policy document focusing on labour market policies and the education regimes in Austria and Finland. Also, to conduct this research, a comparative case study design with mixed methods and the most similar case study design was used.

## **5 Methodology**

### **5.1 The Methods and Objective of this study**

The aim of this master thesis is to examine how the youth guarantees policy define or understand (disadvantaged) young people's school to work transition process. A particular focus is relying on how the strategic interrelation between the active labour market measure and education governance gear the transition process. However, the evidence and comparison are the results of the investigation and findings focused on two advanced economies, that is: Austria and Finland. Moreover, the work focuses on School to employment transition process of disadvantaged young people between 15-24 years of age.

A comparative case study design is used to compare disadvantaged transition path to employment. The independent variables are the education system and the active labour market measure (European Youth forum, 2012). The cases selected are Austria and Finland. For this reason, the most similar case design is used due to their highly industrialized economic systems and different welfare state production models. Also, the adaptations of mixed methods, integrating qualitative and quantitative data, are purposefully used to understand the propositions (Goodrick, 2014). In this case, both methods are the qualitative approach as main design and quantitative based on secondary and supplementary database (Goodrick, 2014: 1). To put it in another way, the cases are under the premises of a qualitative design to understand and generalised disadvantaged young people's School to employment transition process in Austria and Finland.

#### **5.1.1 Background and theoretical consideration**

The empirical approach in this study to investigate the transition process is conducted within the real-life context (Yin, 2009: 18). Thus, the cases selected are from two advanced economies with the findings more compelling and robust (Yin, 2009). The political and coordinated market economies considered are Austria and Finland. The focus is laid on disadvantaged young people's School to employment transition path, and the evidence is from the selected countries' Youth Guarantee policy paper. Focus is on disadvantaged youths, particularly between 15-24 years of age.



Equally, this section of the study explores the comparative case study, especially with the “How” and “why” questions that is more explanatory and valuable (Yin, 2009: 6) to understand the transition path. Hence, relying on ‘how’ explains the variations of the transition process, that cover the two cases of Austria and Finland. As a result, it shows more generalized understanding of the “how” and “why” questions that linked the labour market and education system of the transition process (Goodrick, 2014: 1; Yin 2009: 6; European Youth Forum, 2012). Also, the selected cases are systematically compared with the case study method (Kaarbo and Beasley, 1999: 372). Couple with that, the data analysis and synthesis aim to sort out the similarities, differences and patterns across the cases (Goodrick, 2014: 1) of the transition process. In other words, the synthesis of the cases goes above the comparison of similarities and dissimilarities to enable national specification (Goodrick, 2014: 2) in the political economy governance. Hence, the distinguishing feature is the emphasis to investigate and understand the variation of young people’s School to employment transition process (ibid.) in Austria and Finland. However, this approach enables a rational selection of the specific cases which are directly linked to the key research question and investigation (Goodrick, 2014: 1) of young people’s transition path. For this reason, the method is derived from Yin (2009: 20) following five features of case study research design:

- i. Firstly, in this study, the “how” (Yen 2009: 20) question of disadvantaged young people’s transition process is considered since it embodies the research question. Therefore, I ask how the active labour market measures and education system shaped young people’s school to employment transition process in Austria and Finland. Emphases are laid particularly in 15-24 years old young people (European Commission, 2016; Bussi, 2014).
- ii. Secondly, direct attention is given to each/specific proposition of the study (Yin, 2009) that make it possible (Yin, 2009) to understand the phenomenon. For this reason, the propositions are the objects of belief in the cases that shows the results of institutional corporation and complementarities, industrial or specific skills production, and system coordination/regulation which gear young people school in employment transition process in Austria and Finland. However, such topics and themes already represent a huge narrowing of the relevant data (Yin, 2009).

- iii. The case for analysis makes up the third part that describes the area of focus in this study (Yen, 2009: 22-23). However, the unit of analysis shows the design of the research question. Thus, the analytical group is composed of disadvantaged young people's School-to-Work transition process, between 15 – 24 years old in Austria and Finland. Also, the result of the right case of analysis shows the exact specifying of primary research questions (ibid).
- iv. The fourth part is the logical linking of the facts to the designated propositions. For this reason, the approach fits the idea of "pattern-matching" from Campbell (1975), whereby diverse fragments and selected passages of text information from the cases are matched to the theoretical proposition (Yin, 2009: 25). Thus, this tool and technique is a way to correspond the data collected from Youth Guarantee policy paper to the propositions that served as responds to the study research question (ibid).
- v. Finally, the fifth part is to interpret the findings. The data is coded into themes and finally categorised in order to carefully extract their meaning from the findings and find their proposals for practices and future research (Yin, 2009: 26-27). This approach also shows the validity of the data through the carefully selected text passages that fits the research question answer. The object of investigation is to figure out the transition dynamics, after selecting the case to look at disadvantaged young people's School to employment transition process and its determinants through active labour market measures and the educational governance.

### **5.1.2 Research Object as Youth Guarantee Policy Document**

The aim of this master thesis is to research how the Youth Guarantee policy defines or understands (disadvantaged) young people School-to-Work transition process in Austria and Finland. As a matter of fact, the policy document is accessible from the selected country's statistic board, government website and other relevant sources. Likewise, the policy paper is suitable for this study due to its design framed for active labour market policy measures that secure equal labour market participation (European Youth forum, 2012), support, trained, and guide (disadvantaged) young people.

In addition, this study offers an insight, knowledge, and benefit to disadvantaged young people transition path. As a result, the data vitality is to understand how to improve the employment routes of this group of young people. Hence, this study's

findings aim to contribute to the understanding of disadvantaged young people's transition path. Equally, the response will lead to alternative perspectives to understand the case of youth's exclusion and uncertainties. As a result, it will improve youth life-style, enable "active" inclusion, participation, and redistribution of human resources.

For this reason, the study's object of the examination is the Youth Guarantee policy papers. Hence, the Youth Guarantee policy papers of Austria and Finland with other secondary sources of youth policy and documents from each country are purposely used as sample for data collection and analysis.

## **5.2 Sampling and the collection of Data**

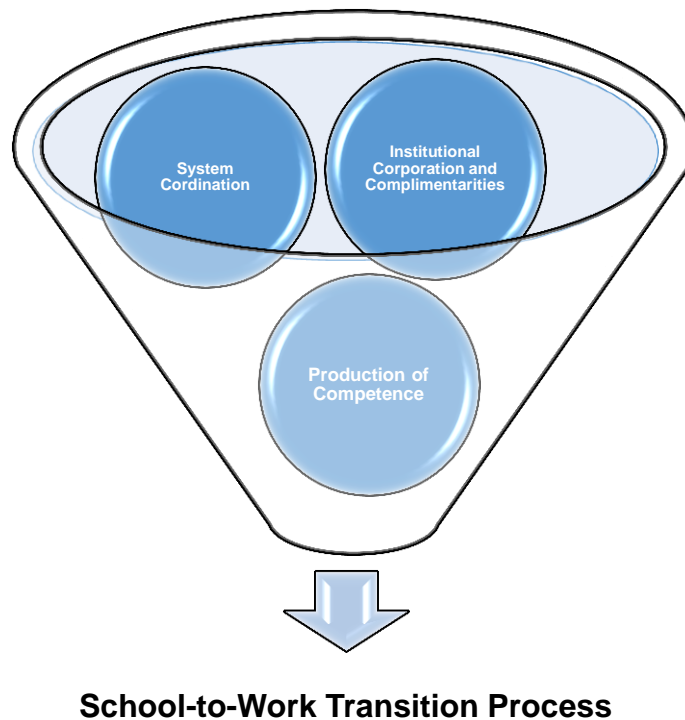
In this study, varieties of contributions are used for the data collection and empirical testing. At the beginning, a review of the Finnish Ministry of Education and Culture and the Austrian Federal Minister of Labour, Social Affairs and Consumer Protection website are consulted as search engines for the data source. For the purpose of searching on the Finland's publication website, the terms youth and policy were given in an advanced search button with the result of 145 items. The item Youth work in Finland was pressed, which directed the search to another page of documents about Child and Youth Policy Program 2012/2015 (67 pages) and Social guarantee for young people (Finland Minister of Education and Culture 2016). In addition, youth policy papers are searched at the Ministry of Education and Culture. Under the rubric of legislation, the Youth Act (72/2006) and the Government Decree on Youth Work and Youth Policy 103/2006 are sorted out with 13 pages. In addition, documents from the nuorisotakuu.fi website that also deal with youth guarantee information were researched. These data sources derive evidence from Finland. Contrarily, the Austrian data are searched from the Austrian Federal Ministry of Labour, Social Affairs and Consumer Protection website. The term youth guarantee is given on the search button that produces two pages with 16 results. Hence, the Youth Guarantee Implementation Plan Austria (30 pages) and Youth and Work in Austria 2014/215 (118 pages) are used as the data source for Austria (Federal Minister of Labour, Social Affairs and Consumer Protection 2016). In brief, the total amount of data source pages use in the study consists of a total of 228 pages.

Moreover, secondary sources with supplementary data offer valid support for the evidence. Hence, the secondary data are from the Austrian and Finland statistic Board and other European Database sources (Eurostat). They offer relevant

qualitative and quantitative evidence about young people's school to employment transition process in Austria and Finland. However, the selected statistic board data are from the national countries agents, while the statistics illustrated are through personal representation of the Eurostat statistic page. Moreover, the data sources suit the study investigation, and are valid to answer the research question. Hence, it consists of statistics that shows young people's activities in the labour market and it's relation to schooling, vocational education training or retraining attainment.

### **5.3 Data Analysis**

In this study, a qualitative content analysis technique (Mayring, 1983) is employed. The collected data is systematically and gradually prepared in a chronological pattern (Mayring 2002). This technique enables a systematic description of the study policy documents (Berelson, 1971) to suit the pattern of the research question answer. Moreover, this shows the latent structures of the text passages (Lamnek, 2010). In this case, specific text passages are extracted from the text (Mayring, 2003) that fits the propositions. However, the theoretical proposition was derived as a pattern to match the varieties types of capitalism approach towards young to employment transition part. Also, the data suits and fits the request of the research question. For the purpose of that, following theoretical propositions were derived to fit the data analysis design:



**Figure 1: Theoretical propositions to analyse youth school to work transition path**

- a) Firstly, the institutional Corporation and complementarities are considered for fast actions. With this intention, both countries activities are institutionally govern with strong corporation amongst relevant actors. Also, strategic relationships are regulated that steer young person's path to employment. This shows how human resources are allocated in the society for fast action. In this case, skills will be produced for economic adjustment. Hence, the complementarities are strong firms-ties with reciprocal expectation in the different types of a capitalist economy to coordinate and regulate labour force. In this case, an important arrangement for young people School to work transition process.
- b) Secondly, a system coordination of firms is important to build and set up strategic relationship to guide and assist young people labour force. Also, this category shows the attributes of immerse networking for competitiveness and adjustments of national economic shock. Hence, through the observation specific transition paths are identified in the study. Also, this will give comparative background knowledge how the coordination routes are regulated

in a social democratic country such as Finland and in a country like Austria dominated by a corporatist labour market

- c) Lastly, the production of competency is considered as a theoretical proponent. It equally shows the distinctive nature of highly industrialised countries' types of education system. Moreover, this variable is categorised to detail, to analyse the role of competences in capitalist countries' employment structure and young people's transition path. Hence, the production of skills shows the different social welfare production regimes in the political economic governance of Austria and Finland. Hence, it is a significant theoretical perspective to study/analyse the importance of competence to school to employment transition process of young people.

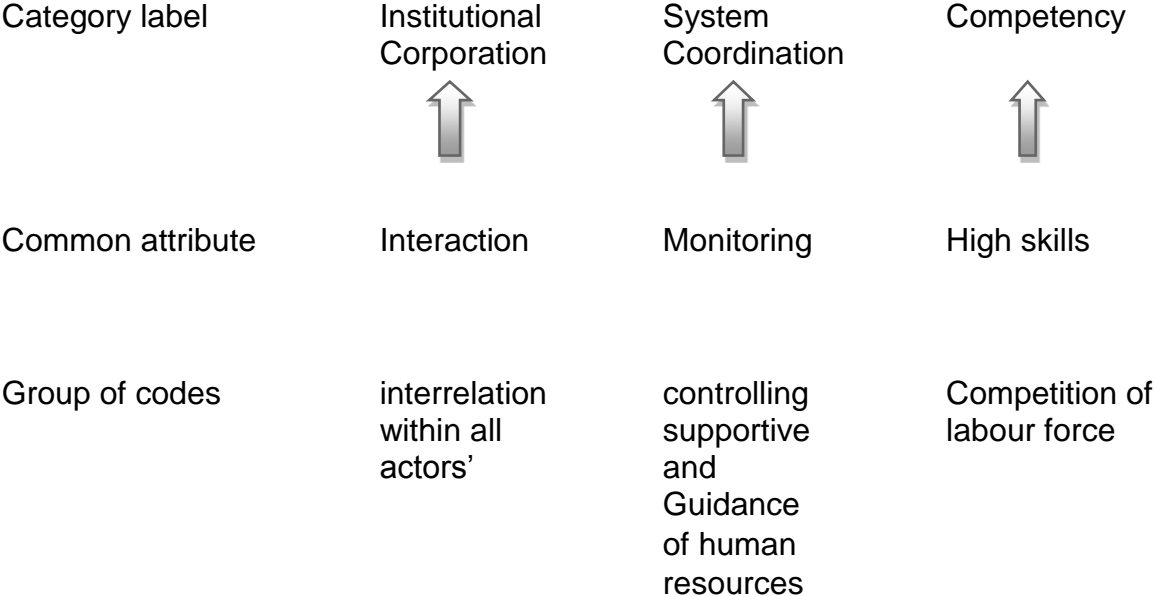
In this case, the theoretical propositions, match the coded and categorical patterns that show how the Youth Guarantee policy describes the young people's School to employment transition process in Austria and Finland. Also, the text passages were deducted to match with the pattern of the proposition. Similarly, the extracted specific text passages correspond to answer the research question. In like manner, the content structure consists of a constellation of different theory-led deductive categories which lies at the centre of this study text interpretation (Lamnek, 2010; Atteslander, 2010).

However, a mix data search strategies method is used to search by topic and subgroup, deduce several codes around the specific research topic, and build up a thick description (Hennink et al. 2011: 236). Codes were deduced from specific topic after identifying the subgroup of 15-24 year's old young people in the policy paper. Therefore, the deduced codes used with specific topics are (a) the interrelation between all actors, (b) controlling and monitoring of human resources, and (c) competition and competitiveness of labour forces to understand (ibid) the case study phenomenon. Likewise, the codes are grouped under similar components into broader categories for a more conceptual understanding of the phenomenon (ibid).

Hence, three categories are initially labelled according to their common attributes of interrelation, monitoring, and high skills that are finally refined to Institutional Corporation, system coordination, and competency. Figure 1 shows the data exploration result from codes to categories of disadvantaged young people's School to employment transition process in Austria and Finland. In the light of the table,

topics such as Group codes, Common attributes, and Category labels were extracted from Hennink et al. (2011: 247) study that support the below self-illustrative Figure 1.

**Figure 2: From code to categories in data exploring young people`s School to employment transition process.**



Furthermore, the categories show the analysing objects of understanding that geared disadvantaged young people`s transition process in Austria and Finland. For this reason, they are specific extracted text passages and anchor examples that are derived from Youth Guarantee policy documents corresponding to the categories with a unique agenda (Mayring, 2002; 2003; Flick et al., 2013).

With this intention, the specific text passages coded as categories show the materials to conduct the analysis. Hence, the big picture gives a view of the varieties of capitalism proponents in the political economy to the social production regimes (Ebbinghaus and Manow 2001; Hollingsworth and Boyer 1997b) in Austria and Finland. The approach is equally built on countries national models of institutional setup, corporate governance, and strategic relations. Likewise, the institutional and economic governance (Ebbinghaus and Manow 2001) regulate and coordinate young people`s transition path through the production of industrial skills and competency for economic adjustment of global/national shock and competitiveness (Goldthorpe 1984; Ebbinghaus and Manow 2001). Hence, both countries` economic governance consists of a system based on high skill and coordinated labour force regimes.

However, the coordination patterns and linkages vary across Austrian`s paternalist conservative welfare state regime and the social democratic approach with a Universalist welfare state model of Finland (Ebbinghaus and Manow 2001). Hence, the political economy, governance regulated the linkage and interconnection that gear young people transition path. As a result, following categorical routes and paths are identified: Institutional corporation and complementarities in the society for fast actions, system coordination of firms to build extensive relationships with networking, and finally the production of competency with high skills labour force to adjust global/national economy shock and competitiveness.



## **6 The findings of young people's transition process**

In this chapter, the findings are presented from the extracted passages. The extracted passages are analysed to deduce young people's school to work transition process. Therefore, the analytic parameter of institutional governance, system coordination, and competence are used to derive answers to the research question. In this case, the following research question was posed: How does the youth guarantee policy define or understand (disadvantaged) young people's school to work transition process in Austria and Finland?

### **6.1 Institutional Corporation and complementarities for fast actions**

According to past research, institutions corporate to optimize, regulate, and guarantee young people's transition path to work, such as re-entry to a stable employment (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015). Equally, corporate governance coordinates fast action coupled with existing complementarities to link and gear young people's transition to employment.

In like manners, Austrian political economy system of corporate governance is institutionalised through supportive measures that monitor, regulate, and guide disadvantaged young people's transition process. It offers supportive measures, varieties of mixed job search, (re) training, and assistance to reintegrate disadvantaged young people into employment system (Ryan, 2001). Equally, this is realised through the guarantee of training and apprenticeship to every young person:

“A wide range of supportive measures has been established. Stepping stones are the Training Guarantee that guarantees every young person apprenticeship position as well as Future for the Youth. §38a AMSG ensures that every unemployed up to 25 is either offered an employment position or the possibility to pursue a further education or a integration program (...)” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 17).

Equally, there are institutions that are cooperating and strategically interrelated to each other as a means to socialise and reallocated young people into the employment system:

“A wide range of institutions are involved in avoiding drop-outs from the education system, bringing young people back into education or integrating

them in the labour market and providing social and vocational support” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 3).

Also, the corporate governance guarantees and focuses on fast action to reach disadvantaged and disengaged young people, especially from the employment system. As a matter of fact, this will guarantee firm’s competitive performances and remit comparative advantage, according to their activities (Kang, 2006; Soskice 2001a). Equally, the latter will deliberately increase the competitiveness of the system, generate, and enable adjustment paths to adjust economic pressures and societal changes (Kang, 2006; Rhodes et al):

“The guarantee gives the possibility to enhance the co-operation between institutions and lead the focus to fast action and outreach to those, who are less reached by already existing measures and initiatives” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 6).

With this intention, the government’s key initiative is through youth coaching to target young people in the last compulsory school years (almost 15 years) and youths up to the age of 19 not registered with the Public Employment Service (ibid). For this reason, young people at risk of dropout are targeted through coaching to gear and support the transition process (Bussi 2014). Also, the focus is on relying to target disengaged young people in the society:

“The aim of the current strategy is, on the one hand, to optimize the system that is facilitating the school-to-work transition and to reach all young people that have problems in finding their pathway” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 6).

Couple with that, the aim is a strategic interaction through coordinated institutions to adjust the economy and steer young people's School to employment path (Halls and Soskice 2001). This will enable fast action, guarantee possibility of workforce, and easy employment routes with job entry:

On the other hand, it is important to increase the permeability and allow ways to re-enter the education system. Before the establishment of the European

Youth Guarantee young people and their employment and education prospects were already in focus of the Austrian labour market and education policy. The guarantee gives the possibility to enhance the co-operation between institutions and lead the focus to fast action and outreach to those, who are less reached by already existing measures and initiatives” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 6).

Similarly, it represents an ideal typical model of Austrian economic governance across the labour market and the education system to coordinate human resources. In this case, the labour force will adjust the national/global economic shocks. Similarly, firms and companies build up competence due to the interplay of strategic interaction between the actors (Soskice, 1999). Equally, the corporate governance regulates the outcome among the actors that are complimentary to each other through a couple of commitments (Ibid). Thus, the commitment is to collectively adjust the economy with industrial skills for economic shock, competitiveness, and inflation.

Similarly, Finland`s Minister of Education and Culture (2012) explained that the Finnish system offers education possibilities to every young person. Institutional set up across the social welfare regime supports and assists every young person to ease the transition path and reduce social inequalities. In this same way, Finland's socialistic and universalist redistributive social welfare production setup across the subsystem is to prevent youth exclusion (Minster of Education and Culture 2012). Couple with that, the support is a strategic interaction to invest in industrial skills and adjust the economy (Ebbinghaus and Manow 2001):

“The intention of the youth guarantee is to ensure that young people have access to education, training and employment and prevent them from being excluded from the society. The cross-administrative youth guarantee takes effect from the start of 2013” (Minister of Education and Culture 2012, The Youth Guarantee in Finland provides employment, training and a customised service, Pp 1).

Despite that, the corporate governance represents ideal typical models of social guarantee to build up a Public-Private-People-Partnership (PPPP) where young

people are universally integrated (ibid). Moreover, Finland's Minister of Education and culture (2012) stipulate that the social guarantee will involve young people and their environment:

“The Finnish youth guarantee is to be based on the Public-Private-People Partnership model, where young adults are themselves the actors, responsible for their own future. Youth guarantee is a primary goal of the Government Programme and will be implemented throughout the government’s term of office” (Minister of Education and Culture 2012, The Youth Guarantee in Finland provides employment, training and a customised service, Pp 1).

Equally, the redistributive and social democratic approach of collective decision making shows Finland's universalistic social welfare governance (Crouch et al., 1999; Finland Minister of Education and Culture, 2012). Similarly, the focus is laid on a high level of social security and a considerable amount of jobs (Artzmüller, 2012). In addition, the specificity is laid on the scheme of “social guarantee” (Minister of Education and Culture 2012) that involves inter-firm coordination and complementarities to steer young people's employment path (Hall and Soskice, 2001) and ensure a universalist redistributive model of self-reliance.

“From the beginning of 2013, the Government will implement the social guarantee so that each young person younger than 25 years, and each recent graduate under 30 years of age, will be offered work, a traineeship, or a study, workshop or labour market rehabilitation place, within three months of becoming unemployed” (Finland Ministry of Education and Culture 2012: 25 . Department for Cultural, Sport and Youth Policy- 2012, Child and Youth Policy Programme 2012–2015, National Implementation)

Likewise, the Finnish Prime Minister's intention is to develop a caring society with international responsibilities (Finland Minister of Education and Culture, 2012; Ministry of Finance, 2011; Finland Prime Minister Office, 2011). Hence, the universalist and social democratic welfare production regime is focused on global universal and high levels of social security among different individuals in the society (cited from Artzmüller, 2012; Crouch et al., 1999). Equally, the strategic corporation of young people who are considered as contributors rather than consumers, reflects the socialistic and redistributive welfare policies of Finland's social democratic mode (Ryan 2001):

“The focus may be, for example, on children and young people as customers of targeted services, or on children and young people as members of groups or as citizens affecting social development. The differences between approaches may also be based on whether solutions are primarily sought through measures targeted at individuals, which are often remedial, or through preventive and socially supportive measures targeted at all children and young people. At any level of administration, however, matters pertaining to children and young people cannot be advanced without good collaboration and the inclusion and integration of different viewpoints” (Finland Minister of Education and Culture, 2012. Child and Youth Policy Programme 2012–2015, Pp. 9).

Furthermore, the institutional co-operation and governance involve masterminding core competence, as well as safeguarding and protecting disadvantaged youth’s employment path (Hall and Soskice 2001) in Finland. Therefore, Ministers will guide municipalities through corporate governance attached to the constitution of the Youth Act to support and guarantee collective action to impact (disadvantaged) young people’s life:

“Ministries will guide municipalities to engage in multi-professional co-operation in accordance with the Youth Act to improve the mutual operation and impact of services targeted at young people” (Finland Ministry of Education and Culture 2012: 26 . Department for Cultural, Sport and Youth Policy- 2012, Child and Youth Policy Programme 2012–2015).

As a result, the strategic interaction that exists between the actors plays a significant role in gearing young people's school to employment transition process, and in adjusting the economy from shock and competition (Ebbinghaus and Manow 2001). Similarly, institutional governance emphasizes the different categories of firm’s behaviour and corporate responsibility routes that are interlinked with the social protection systems (ibid), which shape the transition routes.

## **6.2 System Coordination of firms to build relationship and networking**

According to a variety of studies, national economy is facing global competitiveness (Ebbinghaus and Manow 2001 quoted from Boyer 1996; Kitschelt et al. 1999).

However, considerable global diversity still prevails that pressures advanced industrialised countries to coordinate their internal economies with different governance models of regulation and institutions (Ebbinghaus and Manow 2001).

In this case, Austrian coordinated market economy represents an ideal-typical model of economic governance where the national model of capitalism provides a legal regulation based on which different systematic forms of coordination are found across the country (ibid). Similarly, its coordination system ranged from the national level, the federal ministries, the Public Employment Service, and Social Partners that coordinate the social welfare production and manage labour through coordinated bargaining (Ebbinghaus and Manow 2001). Hence, it avoids dropouts by commodifying young people as labour force through a paternalist conservative welfare regime with social benefits and vocational training (Ebbinghaus and Manow 2001). The economy is coordinated (Hall and Soskice 2001) to build a firm relationship, network, and to support the STWT process through a wide range of programs and actors:

“The Youth Guarantee Implementation Plan was set up in an inter-ministerial process with the key actors involved – BMWFJ (hence BMWFW and BMFJ), BMUKK (hence BMBF), BMASK and AMS. The Federal Social Office (BSB), Social Partners, the coordination office of assistance for interface between school and work (Bundes KOST Bundesweite Koordinierungsstelle Übergang Schule- Beruf) as well as the coordination of federal states were likewise consulted when drafting the YGIP” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 7).

Also, the coordination of system is a strategic relationship to build up strong networking ties and to regulate young people's School to employment transaction. Equally, young people are absent in the decision making process during this Public-Private mixed with paternalistic conservative approach. Hence, it is the main strategic relation to coordinated youth labour force and regulate their transition process:

“To implement and monitor the measure „Youth Coaching“, an inter-ministerial steering group was set up. The steering group consists of members of the Ministry of Labour, Social Affairs and Consumer Protection, the Ministry of Education and Women as well as the Federal Social Office. There are steering

committees for Youth Coaching and “AusbildungsFit” in each province of Austria. Participants are stakeholders of the educational system and labour market. A nation-wide office of assistance for interface between school and work (Bundes KOST) coordinates the interface between school and work for young people” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 7).

Therefore, the economy is coordinated (Hall and Soskice 2001) with numerous programmes to build a firm relationship and with a wide range of programs that actors use to support young people's employment tract:

“There exist a wide range of programs to promote the integration of young people into the education system and the labour market, ranging from well-developed services for vocational information including specialised vocational information centres, the nationwide placement service of the AMS for apprenticeship positions, subsidies for company-based apprenticeships, individual promotion within the AMS, to support of the transition from school to working life” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 3).

This indicates that companies are the core regulative body of a capitalist and conservative economy for the adjustment of economic shocks (Ebbinghaus and Manow 2001). The government also introduced a mandatory education and formation (Ausbildungspflicht) measure that is systematic, coordinated, regulated, and govern the economy through its institutional setup across the main subsystem to revitalise the economy (ibid). During this interplay, young people's STWT process is governed and supported with VE routes and a training guarantee:

“The aim is that every young person shall be supported in his or her decision on the (vocational) education pathway and shall attend and complete a formal education or formation up to the age of 18. Those who are in danger of dropping out should be supported individually to reach the highest possible educational attainment” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 3).

The training guarantee shows and implies notable systems of active labour market measures based on education, training, and supportive measures that depend on the regulatory regimes (Hall and Soskice, 2001: 4; Ebbinghaus and Manow 2001). In this sense, the regulatory regime and economic governance are coordinated with associations through a guarantee to train young people to meet up labour market demand of the political economy. Through this process, the government intensively invests to socialised young people via societal values and norms to be active and engage in societal development (Hall and Soskice 2001: 5).

“Stepping stones on the way to a “mandatory education and formation” are/will be the Training Guarantee, Production Schools, Youth Coaching, targeted subsidies and quality-related measures in the apprenticeship system, Ready for Education and Training, subsidised employment projects and the promotion of the possibility to catch up an apprenticeship degree during full-time work” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015, Youth Guarantee Implementation Plan Austria , Pp. 3).

Despite the fact, there are severe problems, especially with regard to securing employees with suitable skills. In addition, workers are in trouble over which skills precisely to invest (Hall and Soskice 2001: 7). The industrial relationship between employers and employees is comprise related on the issue to coordinate the bargaining question of wages and working conditions of the labour force with employers' and employees' unions (Halls and Soskice 2001). This shows firms as core partners to coordinate training and monitor workforce in order to enable companies and employees to adjust economic shocks (Hall and Soskice 2001; Ebbinghaus and Manow 2001). This shall automatically govern the economy through the LM adjustment by reintegrating (disadvantaged) young people in Austria.

Similarly, Finland's national model of economic governance is a regulated and coordinated market economy with high skill production (Ebbinghaus and Manow 2001). This is to adjust the economy against unemployment, recession, and to secure social welfare production. Hence, the government prevents and guarantees young people with realistic and inclusive measures:

“Youth guarantee has been included in the Programme of Prime Minister Jyrki Katainen's Government, with a view to promoting employment and preventing social exclusion among young people. The guarantee sets out to provide all



young people with realistic opportunities to pursue and complete a post-basic qualification and find employment, while ensuring that young people are not left to get stuck in a period of non-activity for too long” (Nuorisotakuu, 2016, Finland Youth Guarantee Webpage, On the people Side).

Hence, universal prevention of social exclusion distinguished Finland's national model of capitalism across the system. The setup of governance model involves the whole society with special attention to young people during the decision making process. Similarly, the collective network and interplay of the whole society shows de-commodification of young people with the provision of universalistic benefits (Ebbinghaus and Manow 2001):

“The social guarantee models will be made familiar to young people, their parents and those working with young people. The social guarantee will be implemented in collaboration with young people. Special attention will be paid to participation opportunities for young people who do not use traditional methods of participation. Resources will be allocated to youth workshops and outreach youth work as well as the expansion of their activities” (Finland Ministry of Education and Culture 2012: 26, Department for Cultural, Sport and Youth Policy- 2012, Child and Youth Policy Programme 2012–2015).

This approach shows an ideal-type of corporate governance with a cross-administrative framework (Minister of Education and Culture 2012) that involves a universalist corporate governance. Also, youth are the core actors for their own future that shows the social democratic and redistributive social welfare production regime of Finland:

“The Finnish youth guarantee is to be based on the Public-Private-People-Partnership model, where young adults are themselves the actors, responsible for their own future. Youth guarantee is a primary goal of the Government Programme and will be implemented throughout the government’s term of office” (Minister of Education and Culture 2012, The Youth Guarantee in Finland provides employment, training and a customised service, Pp. 1).

Also, the interplay and the interrelation of the whole society show the full guarantee that prevails in Finland to steer young people's STWT process. In addition, training and skills guarantee programme are also available. Also, collaboration of all the

sectors and partnership plays a pertinent role in the implementation and guarantee of young people's transition into working life and employment:

“The youth guarantee consists of various elements: a guarantee of employment, educational guarantee, a young adults’ skills programme, a youth workshop, and outreach youth work. The Finnish Ministry of Education and Culture will be responsible for the guarantee of education and training, the young adults’ skills programme, the youth workshop and outreach youth work. The project is being implemented in collaboration with the Ministry of Employment and the Economy and the Ministry of Social Affairs and Health” (Minister of Education and Culture 2012, The Youth Guarantee in Finland provides employment, training and a customised service, Pp. 1).

Accordingly, the institutional governance of Finland builds up an inter-company network of management-labour relationship (Ebbinghaus and Manow 2001) through representation across the society. They govern the economic challenges and improved citizen’s lifestyle through a regulative and coordinated system of a Public-Private-People Partnership model. For this reason, the corporation runs from the national level to communities, firms and the citizens with the method of education guarantee and skills program to adjust the economy and improve youth’s lifestyle:

“Successful execution of the youth guarantee requires cooperation among national and municipal authorities, the business sector and organisations. Methods of implementing the guarantee include measures related to the educational guarantee, the skills programme for young adults, employment and economic development services for youth (PES) and rehabilitation services, including municipal social and health care services and other individual services for young people, such as youth outreach work and youth workshop activities” (Nuorisotakuu, 2016, Youth guarantee Webpage, Youth Guarantee means that)

This provides indices about the redistributive manner of the Finland's social production system of education model to facilitate young people with extensive public service in their school to work transition process (Ebbinghaus and Manow 2001) and life cycle. In addition, the universalistic and redistributive approach engages young people in their self-development process with the objective to curb down unemployment and systematically coordinate human resources: .

“One of the principles of the youth guarantee is that young people are heard and allowed to influence the course of their life. The youth guarantee supports growth, emancipation and life management of young people. The objective of the youth guarantee is to support young people in gain in a place in education and employment, to prevent prolonged youth unemployment, to identify factors contributing to the risk of social exclusion and to offer support at an early stage, in order to prevent social exclusion and marginalisation of young people” (Nuorisotakuu, 2016, Youth guarantee Webpage, Youth Guarantee means that).

However, Finland's national government is responsible for the provision of law and regulation that create suitable room for collective arrangement with a systematic form of interdependencies, collaborations, and coordination nationwide (Ebbinghaus and Manow 2001 quoted from Hall, 1997). To achieve that, the government invests in social and education guarantee to adopt an equal responsibility of all actors for fast action and LM entrance (Crouch et al. 1999):

“The collective responsibility adopted by authorities, businesses, organisations and young people is integral to the full success of the social guarantee. Finland's youth guarantee will be founded on the Public-Private-People Partnership approach, with young people themselves being active participants in shaping their own future. We need a shared will and a spirit of voluntary work from the whole society!” (Nuorisotakuu, 2016, Youth guarantee Webpage, Youth Guarantee means that).

After all, the national models of capitalism in Finland and Austria are considerably diversified towards the coordination system to adjust the economy that also steers young people's STWT process (Ebbinghaus and Manow 2001). In this case, both countries are uncoordinated market economies that converse distinguished ideal-typical models of social and capitalist economic governance (ibid). Hence, VoC approach of Finland and Austria in the political economy reflects a different principle of social welfare production (Esping-Andersen 1990).

Despite that, strong ties to institutional corporation and system coordination prevail in both countries to adjust national economy and shape young people's STWT process. These are coordinated market economies with high and specific labour market skills. Hence, the transition path is systematic and coordinated through multiple actors.

Therefore, the interplay of the labour market activities and the educational governance steers the transition process. Likewise, firms build up a different relation path and network for comparative advantage. Hence, employees shall acquire specific skills and competencies via firm relationship, workshops, and training to sustain and adjust the economy.

### **6.3 Production of Competency for global/national competition**

The production of competency in modern capitalism has an impact on the welfare state production of skills, employment, investment, and wage setting (Ebbinghaus and Manow 2001). Equally, coordinated market economies countries such as Austria and Finland produced highly skilled labour force and high quality goods (Ibid). As a matter of fact, training and employment are of paramount importance based on VET and intra-firm mobility perspectives (ibid).

In the case of Finland, there is a wide range of training guarantee and skills program with workshops to outreach young people. Hence, the government is responsible to guarantee young people with guidance and counselling:

“Through the programme guidance and counselling on how to apply for study places and how to proceed in studies will be increased” (Minister of Education and Culture 2012, The Youth Guarantee in Finland provides employment, training and a customised service, Pp. 2).

Also, the notion of skills program is an extensive social welfare approach to provide young people with informal education. A young adult's skills guarantee will be provided for those who have completed only basic education (Finland Minister of Education and Culture 2012). This will enhance their competence to compete and enter the labour market. Also, disadvantaged young adults without specific skills to enter the job market will gain the opportunities to gain further education and knowledge:

“For those aged between 20 and 29 who have completed only basic education before the Educational Guarantee takes effect, a young adults' skills programme will provide better opportunities for applying for vocational education and training leading to a degree or other qualification. The program will be organised during the period 2013–2016. In the programme, young

people will be able to gain an upper secondary vocational, further vocational or specialist vocational qualifications. The aim is to bring altogether 36,000 adolescents into the programme throughout the programme period from 2013 to 2016” (Minister of Education and Culture 2012, The Youth Guarantee in Finland provides employment, training and a customised service, Pp. 2)

Similarly, young people will gain support and assistance services to link their overall path with skills production to adjust their employment status. Equally important is the education governance that guarantees a universal education and further training to enable societal participation. With this intention, the neo-corporatist governance of Finland is a social democratic approach that offers universal redistributive possibilities for young people to acquire training and further education (Ryan 2001; Ebbinghaus and Manow 2001). Also, the education regime equally guarantees universal support and assistance for young person's path to employment. In view of that, transition path is supported with assistance to reduce marginalisation:

“The objective of the youth guarantee is to support young people in gain in a place in education and employment, to prevent prolonged youth unemployment, to identify factors contributing to the risk of social exclusion and to offer support at an early stage, in order to prevent social exclusion and marginalisation of young people” (Nuorisotakuu, 2016, Youth guarantee Webpage, Youth Guarantee means that).

In like manner, Finland's Ministry of Education and Culture (2012) extended the vocational education training to places with limited chances of opportunities as a means to reach every young person. As a matter of fact, disadvantaged young people find it easier to move into vocational education training and participation due to the redistributive perspective and citizen's social right (Ryan 2000; Ebbinghaus and Manow 2001). Also, skills production is the key principle to education governance with universal accessibility (Finland Minister of Education and Culture 2012). Hence, the aim is to develop and achieve a universalistic and a reproductive society for everyone (Ministry of Finance, 2011; Finland Prime Minister Office, 2011):

“An additional 1 700 study places have been created in vocational education in areas where there were fewer study places for people in this age group than elsewhere. This makes it easier for young people to move into vocational training and education, cutting the numbers of those who are excluded from

educational courses” (Minister of Education and Culture 2012, The Youth Guarantee in Finland provides employment, training and a customised service, Pp. 1).

Likewise, several trainings for immigrants are universally redistributed to promote young immigrants' (language) skills and competence. The latter plays an important role in young immigrants' transition into the labour market. Hence, they will equally have access through Finland's universalist redistributive social policy to learn the language and transit into the labour market. However, this social-democratic principle of universal social benefit is governed through language competence and proficiency for LM entrance (Ryan 2000). Hence, the competences and language skills of migrants will be acquired through VET (Finland Prime Minister`s office 2011: 51; Minister of Finance, 2011). This equally shows the development of specific labour market skills (Bussi, 2014) and the expansion of the Finland's social democratic principle to everyone irrespective of origin (Ebbinghaus and Manow 2001):

“More language training for immigrants will be offered in folk high schools and adult education centres to promote the young immigrants' competence to study and their language skills” (Minister of Education and Culture 2012, The Youth Guarantee in Finland provides employment, training and a customised service, Pp. 2).

For this reason, there are training workshops for the purpose of social life skills and empowerment. The latter is an idea to promote social awareness and basic skills to facilitate working and lifestyle. Hence, they will participate in subsidised employment schemes that will support their tract to employment. Thus, these strategies such as a youth coach, counsel, and assistance are system coordinated guarantees that produce high-skill, competence, and ensure intra-firm mobility to adjust the economy (Ebbinghaus and Manow 2001). Therefore, youth coaching intervention and training support disengaged young people to be reintegrated into the labour market with sufficient skills:

“The main tasks of the youth workshop are to strengthen young people's life skills and social empowerment, provide early support, and promote greater steady social awareness and learning by doing. The workshop is an opportunity for young people to participate in supervised, subsidised employment schemes, follow a tailor-made educational/training path, or find

employment on the open labour market. The Youth Guarantee is a tool for improving the quality of workshops and strengthening cooperation between them and educational establishments on a young person's educational/training path"(Finland Ministry of Education and Culture 2012, Main page, Webnews, Social guarantee for young people will come into force from the start of 2013).

Under those circumstances, young people's skills are supervised and subsidised from employment schemes as strategies to strengthen high skilled with shared information for societal participation (Halls and Soskice 2001). Hence, companies are subsidised and supported through the "Sanssi Card" model (Finland Minister of Education and Culture 2012). This model of employment subsidy will support firms with wages when they give an unemployed young person a job. Thus, employment services will be offered to (disadvantaged) young people that will guide, assist, and pave them the way to a stable job. Also, there are multiple youth services of career guidance that are offered for everyone:

"Youth employment is to be supported by making the 'Sanssi Card' a permanent feature of the system. The Sanssi card is a model designed to promote wage subsidy and it has lowered the employer threshold for hiring young people. Wage subsidy enables employers to benefit from a contribution of 670 euros a month that is to compensate their employment costs. There will also be more youth services and career guidance provided at the Employment and Economic Development Offices, and new forms of entrepreneurship are to be developed through training, advice and start-up grants" (Minister of Education and Culture 2012, The Youth Guarantee in Finland provides employment, training and a customised service, Pp. 2).

Contrarily, the Austrian approach to vocational training and skills production system (Soskice 1999) belongs to the paternalistic conservative or continental welfare state model (Ebbinghaus and Manow 2001; Bonili 1997). In this case, a wide sphere of institutions exists to curtail dropouts, support, and reintegrate young people with stable employment. With this intention, there are social projects that support basic skills and competence to reintegrate disengaged young people fast in the system:

"A wide range of institutions are involved in avoiding drop-outs from the education system, bringing young people back into education or integrating them in the labour market and providing social and vocational support"

(Austria Ministry of Labour, Social Affairs and Consumer Protection 2015: 4, Youth Guarantee Implementation Plan Austria).

However, the actors involved are in a public-private mix of coordinated bargaining where a particular institution systematically corporates together with a stronger tie to coordinate labour force that steers young people's transition process (Ebbinghaus and Manow 200). Also, the Austrian Ministry of Labour, Social Affairs and Consumer Protection (2015) explained that on the national level the ministries are the key institutional actors responsible for the transition that depict its conservative state tradition. In addition, the institutional governance is accompanied by various state laws and regulative agreement amongst the social partners with strong negotiable hierarchies (Crouch and Streeck 1997). As a matter of fact, the negotiable partners are subjected to state regulation within a range of existing programs, to ensure and promote job placement. This will henceforth promote (re)integration and successful result of disadvantaged young people's transition routes and employment perspectives:

“On a national level the key institutional actors are the ministries responsible for education, labour, social affairs, economy and youth, viz. the Federal Ministry of Labour, Social Affairs and Consumer Protection (BMASK), the Federal Ministry of Education and Women (BMBWF), the Federal Ministry of Families and Youth (BMFJ) and the Federal Ministry of Science, Research and the Economy (BMBWF). The Public Employment Service (AMS), the Federal Social Office (BSB) as well as the social Partners figure prominently. National measures are complemented by measures of the Federal States” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015: 4, Youth Guarantee Implementation Plan Austria).

Also, there are supportive measures to reintegrate and increase the competence of young people into employment. It ranges from public employment assistance services to vocational education training and placement possibilities. In the same way, companies are subsidised for firm-based apprenticeship to support the transition path. Hence, there is an extensive use of the education and firm-based training to support young people's competence with employer's expectation (Hall and Soskice 2001):



“There exist a wide range of programs to promote the integration of young people into the education system and the labour market, ranging from well-developed services for vocational information including specialised vocational information centres, the nationwide placement service of the AMS for apprenticeship positions, subsidies for company-based apprenticeships, individual promotion within the AMS, to support of the transition from school to working life” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015: 4, Youth Guarantee Implementation Plan Austria).

However, the new government also introduced a mandatory support system to train every young person acquire suitable employment competence. Moreover, those who are at risk of dropout shall obtain extra training, youth coaching, and counselling with a specific proportion of possible pathways into a stable work (Ebbinghaus and Manow 2001). Similarly, the investment into skills and competence shows the linkage between the labour institution and the social protection system of skills training as prerequisite to employment (ibid). Hence, there is available vocational training to acquire competence through apprenticeship. As a matter of fact, the competences are demanded by employers during the transition process, even though there are insufficient jobs to absorb the complete trainees (Halls and Soskice 2001: 26):

“In the new government program the introduction of a mandatory education and formation (Ausbildungspflicht) is intended and currently under discussion. The aim is that every young person shall be supported in his or her decision on the (vocational) education pathway and shall attend and complete a formal education or formation up to the age of 18. Those who are in danger of dropping out should be supported individually to reach the highest possible educational attainment. Stepping stones on the way to a “mandatory education and formation” are/will be the Training Guarantee, Production Schools, Youth Coaching, targeted subsidies and quality-related measures in the apprenticeship system, Ready for Education and Training, subsidised employment projects and the promotion of the possibility to catch up an apprenticeship degree during full-time work” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015: 4, Youth Guarantee Implementation Plan Austria).

Couple with that, the Austrian vocational education is a dual system of education models with practical (80 Percentage) and job related training (20 percentage). In spite of that, firms are pressurised to take trainees that are monitored and system coordinated to adjust to the labour market demand (Halls and Soskice 2001). Hence, Austrian dual education system is a policy measure to regulate, coordinate, and monitor young people's school to employment transition process. Equally, young people are trained during this specific dual education system to obtain competency that serves as employment prerequisite.

“The Austria vocational education system has an important function in easing the transition towards the labour market as it provides a practical and job-related education. The Dual System (apprenticeship system) is one important element of the vocational education system. Apprentices may choose from more than 200 apprenticed trades in crafts, industry and services sectors. The duration of the formation varies according to the chosen trade and may last two to four years (usually three years). The apprentice spends 80% of his or her working time in a company and 20% in a vocational school. Every year, approximately 40% of every age group enters into the apprenticeship system after completion of the compulsory school (age 15)” (Austria Ministry of Labour, Social Affairs and Consumer Protection 2015: 7, Youth Guarantee Implementation Plan Austria).

In summary, the findings show that Austria and Finland represent different types of capitalism. Nevertheless, their political economies are coordinated market economies that strategically gear (disadvantaged) young people's school to work transition process. Their systems are coordinated through strong corporate governance (between all firms, institutions, and other partners) for fast action to build strong relationship, networking to monitor information, and the production of competences to adjust economic shock and competitiveness. Similarly, the strategic interaction of the institutions and its social welfare production regimes plays an important role that steer fast action for the transition path. As a result, activities of the labour market and the education system are regulated and coordinated through activities such as extensive networking of confidential information to monitor the system. In this case, firm-specific competence is constructed that serves as a prerequisite to guide and assist young people into stable job. Also, there is vocational education training

(apprenticeship) to guarantee and train young people with adequate working capacity to meet employers' demand. Hence, the transition path is geared with strategic interaction and system coordination from the institutional governance throughout all the existing actors for fast action. Despite that, variation exists in (disadvantaged) young people's school to employment transition process between Austria and Finland. The next subsection presents these (dis)similarities and variations.

## **6.4 The (Dis) similarities of the STWT process in Austria and Finland**

### **a) Similarities**

Both countries are similar with greater ties to coordinate market economies and regulate labour market systems. In this case, there are possibilities of job search, support, and training to disadvantaged youths (Ryan 2001). Also, the education governance produced and developed labour market specific skills that facilitate school to employment transition of young people. In spite of that, not everyone is capable to acquire the necessary skills due to different social status (Kerbo 2003).

Although market and hierarchies are important elements in the Austrian and Finnish coordinated market economies, both countries' political economy shows a further set of firms, organization, institutions and other actors that differently cooperate and complementary their endeavours (Hall and Soskice, 2001: 10). As a matter of fact, the labour market is regulated by laws, employees' protection, and wage bargaining process. This shows both countries' strong legal rules and regulation towards employee's dismissal. Hence, a further explanation that shows the plural types of capitalism in the political economy is centred on firms that coordinate the human resources to adjust economic shock and competitiveness (Hall and Soskice 1999).

However, they invest immense amount of resources in education and training system to provide employees with competences that facilitate their transition process (Bigos et al 2013; Hall and Soskice, 2001: 25). In this case, employers demand and expectation shall be fulfilled in order to adjust and gear a successful transition process. However, both countries face a similar education governance problem, as workers pursue lucrative apprenticeships and firms invest in training for the acquisition of suitable employee's skills (ibid).

Similarly, both countries pay more emphasis on vocational training with apprenticeship schemes as an aspect to up-skill and upgrade disadvantaged young people's school to work transition path (Halls and Soskice, 2001: 10). As a matter of fact, firms need to show their willingness to take part and secure the labour market with specific skills to adjust economic shocks (Halls and Soskice 1999; Ebbinghaus and Manow 2001). In view of that (disadvantaged) young people's school to employment transition process is geared. In other words, political economies of Austria and Finland are similar, and highly emphasize competence, institutional coordination, corporation of the systems for strategic interactions amongst the available actors and corporate partners. In addition, guidance, counselling, and assistance are offered as active tools to support the transition process into employment.

Despite that, there are differences and variations that exist between the different types of capitalism in the political economies of Austria and Finland that steer young people's school to work transition path. The difference varies across the inter-firm cooperation, vocational training governance, and industrial relationship that regulates and gears the transition process.

### **b) Dissimilarities**

The Austrian industrial relationship is composed of strong ties between social partners that organise labour, capital, and regulate current reforms (Ebbinghaus Manow 2001) of young people's school to work path. With this notion, Austrian bargaining approach relies on strong cooperation and extensive compromise without bias (Atzmüller 2005). Hence, the system of social partnership is a corporatism of labour dominated components with codetermined perspectives of policies (Kittel/Tálos, 1999). In addition, it shows Austrian young people's school to employment transition process as a path of strong and strict institutional governance that is systematically coordinated. Hence, (disadvantaged) young people have limited chances on the personal decision-making. Instead, the decision makers consist of the employers' unions, trade unions and the States that link Austria to a corporatism form of social partnership that commit their members to invest in vocational training and encourage youth guidance (Crouch et al., 1999; Hall and Soskice, 2001). Hence, strict control can lead to the risk of youth exclusion, uncertainties, and different social risks. In this case, the labour market determinants compose of workforce pressures

that shape and govern young people's transition process. Therefore, the social partners are interrelated through confirmed party systems and ministerial links (Artzmüller 2005) that regulate and coordinate the transition path. However, this differs from the Finnish collective bargaining model, because young people are not included during the decision making process. Also, firms are pressured for example to take apprentices during training and monitor their activities (Halls and Soskice 2001). As a matter of fact, the decision making procedure is more centralised on selected sections of the society without direct youth voices, but through a representative to intermediate their interest (Crouch 1993; Visser 1990; Ebbinghaus and Manow 2001).

Furthermore, another variation is found at the premises of global perspective. In Finland, the universal approach leads to a stronger equality in redistributive social welfare system. Hence, the welfare regime and institutional governance focus on high level of social welfare production among different groups of young people (Artzmüller 2012). On the contrary, the Austrian perspective is strong and strictly regulated that can possibly lead to youth disengagement. However, Finland follows a universal public system of education that provides general and vocational skills to guarantee diverse educational paths (Ibid). It is a school-based vocational education training (Olofsson and Wadensjo, 2012; ILO 2013) with more pre-training in comparison to Austrian completed professional vocational training (Artmüller, 2012) with strong ties to dual education.

In the foregoing variation, it has been shown that both countries are (dis)similar towards their different types of capitalist approach in their political economies' governance and social welfare production regimes. They are considered as coordinated market economies with regulated labour market with strict employees' protection. In this case, transition path of (disadvantaged) young people is geared through the coordination and corporate governance to adjust the national economy. However, the findings added more light to (disadvantaged) young people's school to employment transition process in Austria and Finland. According to the findings, young people's transition process is shaped through institutional corporations and complementarities for fast action, system coordination of firms and actors with the notion of reproducing competencies and high skills labour force to adjust national/global economic shock. For this reason, the strategic interaction of the

various actors and firms helps to support, guide, and assist young people with job offers and placement in the job market. Hence, the is in compliance with different perspectives of industrial relationships, competences and specific skills production due to the different countries' national approaches.

## 7 Discussion and Conclusion

This master thesis examined and compared how the Youth Guarantee policy defines or understands school-to-work transition process of (disadvantaged) young people. A particular focus was relying on how the strategic interrelation between the active labour market measure and education governance steers the transition process. However, the findings consist of a comparison between two advanced economies, that is: Austria and Finland. The focus was on 15-24 years old (disadvantaged) young people's school to the employment transition path.

Methodologically, I used a qualitative and comparative case study design. However, Different data sources were used. The primary data source for the study was the Youth Guarantee policy paper containing government's commitment to guide and offer (disadvantaged) young people with jobs and training within a certain period after unemployment (European Commission, 2016; Bussi, 2014). This was used for the qualitative comparative analysis. Moreover, the most similar case design with mixed methods, integrating qualitative and quantitative data, were purposefully used to understand the theoretical propositions (Goodrick, 2014). Also, I used a qualitative content analysis technique. In addition, specific text passages were extracted and coded, which builds the categories for the data analysis. The categories are Institutional Corporation, System Coordination, and Competency as determinants that shaped (disadvantaged) young people's school to employment transition process in Austria and Finland

With regard to the different types of Capitalism, the analysis of the Youth Guarantee showed that the governance of political economies in Austria and Finland is actor and firm centered, but varies along the social production regimes. Equally, firms are playing a vital role by systematically coordinating to build a strong network in the conservative and continental welfare state (Esping-Anderson 1990; Bonoli 1997) production system of Austria and the social democratic welfare regime with a universalist and redistributive social policies approach in Finland (Ebbinghaus Manow 2001). For this reason, there is institutional and corporate governance with the actors that regulate and coordinate the welfare production system. In like manner, the coordination of the system regulates and steers young people's transition process. That is to say, Finland regulates its social policies with the idea of a Public-Private-

People-Partnership that involves everyone, including the younger generation, whereas a Public-Private-Mix in Austria has stronger ties between social partners and unions. However, the institutional corporation and complementarities is a by-product of competency and high skills of labour force to adjust national and global economic shock. As a matter of fact, the interplay of firms, industrial relationship and bargaining regulates the welfare production system that permits employers to search for high skill workers for corporate advantage, challenges, and competitiveness. In this case, young people are entangled in the trap of first job, labour market entry, and manifold challenges. That is to say, they are newcomers with insufficient educational attainment that may hinder their transition path. Also, there is a consensus that employers are reluctant to invest on new comers without the necessary experience and competence. For this reason, the institutionalised route is ineffectively organised to absorb the younger generation. Thus, this may knock (disadvantaged) young people out of the system to vulnerability and uncertainty lifestyle. Similarly, the trend is observed in the increasing number of social problems of early school leavers and dropouts who have severe economic and social cohesion disadvantages.

As shown above, I found out that the young people's school-to-work transition path is system coordinated, and relies on strategic interaction of different governance and actors. Hence, the situation is (dis)similar when comparing the national approaches of Austria and Finland, which pursue different types of capitalism in the political economies of regulated systems. Nevertheless, both countries represent a coordinated market economy where greater ties depend on the regulated welfare production regimes. Also, firms are considered as core actors whose activities depend more heavily on corporate governance and networking to co-ordinate their activities for fast and rational choice (Hall and Soskice, 2001). As a result, young people's school to employment transition process is part of the above dynamic that steers the path. Thereupon, it embodies institutional co-operation and complementarities that systematically coordinate the process to reproduce competence and competitiveness (Hall and Soskice, 2001:10). Under those circumstances, firms are restricted and obligated due to the industrial relationship and bargaining to regulate and coordinate their activities. In effect, companies tend to search for highly skilled workers that make it difficult for disadvantaged young people to make their first entry into employment.



Moreover, firms are usually searching for workers with experiences to accumulate capital that is difficult for the younger generation. As a result, the education system has failed to successfully institutionalise and coordinate its main goals to socialise, give the younger generation societal values, and allocate their resources in the employment system. Therefore, the institutionalised routes are not effectively organised or coordinated that have led to increasingly dissatisfaction or uncertainties such as political distrust, ill-health, and resignation of the younger generation to societal participation. For this reason, the younger generation is often at risk of exclusion due to the lack high skills and adequate experience. Also, due to labour market flexibility disadvantaged young people are likely to be employed on fixed contracts or short-term basis that renders them vulnerable and working poor. This will equally lead to a challenging and precarious lifestyle. As a result, the younger generation is lost in the regulative and coordinate systems, paving way to the unemployment that shows the limitation and the inadequacy of governance to institutionalise the transition paths. Thus, disadvantaged young people are tracked in a dilemma and cycle of waiting point, such as a roundabout, that affects their whole life and the society at large.

To conclude, the findings of this master thesis show different reasons of strategic interaction amongst the welfare production regimes of Austria and Finland to regulate and coordinate young people's transition process. As a matter of fact, (disadvantaged) young people are guided, trained, assisted, and guaranteed with activation programmes for job placement. Moreover, the arrangements occur in compliance with different perspectives of strong and regulated industrial relationships (Public-Private-People-Partnership in the socialistic democratic and redistributive approach of Finland and Public-Private Mix in the conservative democratic welfare regime approach of Austria), competences, and varieties of specific skills production due to the different countries' national approaches. Despite that not every disadvantaged youngster benefited as their transition path is increasingly longer, perilous, uncertain, and precarious (for example with part time job, jobs with low career opportunities and involving low work autonomy) due to the (closed) labour market flexibility.

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