

# **TRANSITION ASSISTANCE FOR YOUNG PEOPLE**

**A report to the  
Mayors' Taskforce for Jobs**

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**Mayors' Taskforce Working Group**

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## 1. Introduction

This report explores some future directions for the Mayors' Taskforce to consider in relation to the vision of a youth guarantee:

*that all young people under 25 years be in paid work, in training or education, or in useful activities in our communities.*

In addition, the 2002 Memorandum of Understanding between the Taskforce and the Government expressed an intention that central and local government would co-operate towards a shared goal: "By 2007, all 15-19 year-olds will be engaged in appropriate education, training, work, or other options, which will lead to long-term economic independence and wellbeing."

This report considers ways of addressing these goals, including the possibility of introducing a Guarantee of some kind for young people in relation to the Mayors' vision.

The report is structured as follows. Section 2 outlines the impact of the Mayors' Taskforce in addressing youth unemployment at local and national levels and stresses the importance of seeking local solutions to this problem. Section 3 identifies a key target group – young people not in education, training or employment – for whom transition assistance is crucial. Section 4 examines some aspects of the changing nature of transition in New Zealand that are relevant to the design of any form of transition assistance. Sections 5 and 6 consider various forms of assistance that may be included in a Guarantee. Section 5 outlines these in terms of key principles of best practice in youth employment assistance as identified in the international research literature. Section 6 examines a particular programme, the Youth Job Guarantee proposed for Australia by the Centre for Full Employment and Equity, and considers the feasibility of such a programme for New Zealand. The report concludes with a summary of key points and a note of caution about a Guarantee.

## 2. Context and background

The Mayors' Taskforce, in which 92% of New Zealand's Civic leaders participate, has become a significant entity in 21<sup>st</sup> century New Zealand. There is little doubt that the Taskforce has, and continues to play a major role both in policy and operational terms.

The escalation in long-term unemployment in the 1980s and 1990s, and the failure of

both central government and the wider community to address the waste of human resources associated with this, led to a group of Mayors identifying and accepting a leadership role in employment. Of those affected by unemployment and redundancy, youth were particularly vulnerable. Young people aged between 15 and 25 years dominated unemployment statistics and this trend occurred in tandem with the undermining of the apprenticeship system and the removal of strategic services such as truancy officers and public health nurses. The Taskforce made the vulnerability of young people its particular mission, resulting in the signing of the Memorandum cited above.

The shared nature of the Memorandum's goal, between central and local government, gives due recognition to the importance of locality in addressing the economic wellbeing of young people. Local labour markets are not simply the national labour market 'writ

*The importance of 'the local'*

small', but are uniquely shaped by the ways in which specific economic relationships are structured through time and across space.

The structure of local youth populations (in terms of ethnicity, socio-economic status etc.) also varies regionally. Such local specificity means that centrally designed and administered solutions to local problems such as economic underdevelopment, unemployment and so forth, may not adequately address these issues, especially if appropriate consultation at the local level has not taken place.

Throughout this report, the importance of 'the local' in relation to youth unemployment is frequently signalled. For example, there is considerable regional variation in the distribution across the country of young people who are not participating in education, training or employment. This suggests that local knowledge of the demographics of this group, including 'on the ground' assessments of the nature of their needs, is important for

*Effective assistance requires local knowledge and locally based relationships*

appropriately designed interventions. Local knowledge and relationships also emerge as highly significant in effective transition assistance: for example, an understanding of, and connections with, the local labour market (on the part of case managers, tutors etc.) have been shown to be fundamental to the success of employment assistance

programmes. And in those countries where Guarantees have operated (the Nordic countries, in particular) the effectiveness of this kind of intervention has relied on those managing it having a good understanding of local labour markets as well as the ability to facilitate the establishment of employment generating partnerships locally (in New

Zealand's case, among local government, industry, iwi, and non-governmental agencies).

The significance of 'the local' in designing effective assistance for the young unemployed means that the Taskforce is well placed to pursue its goal of enhancing the long term economic independence and well-being of young people.

### **3. Youth Participation in Education, Training and Employment.**

Young people's connections to the labour market are particularly fluid, incorporating full-time work, part-time work, casual and temporary work, unwaged family work, concurrent employment and study, 'time out' from employment for full time study, and 'time out' because of unstable and difficult living situations. This fluidity means that the nature and scale of youth (un)employment cannot be easily read from standard measures

*Focus on young people who are not participating in education, training or employment* of unemployment and labour force participation. Easton has estimated<sup>1</sup> that were involvement in study to be treated as 'work' in these measures, the late teenage unemployment rate would be halved from 3.6 times the national average to 1.8 times that average, while the late teenage labour force participation rate would be above the

national average instead of well below it. These figures point to a changing environment in which study has become a much more significant element of young people's pathways into employment than has been the case in the past. For this reason, the target group that the Mayors' Taskforce might best assist may be that group of young people who are not in education, training or employment, rather than those classified as 'unemployed'. This is in keeping with the Taskforce goal cited above.

**3.1 Who is not participating?** It is not easy to measure the size of this group although Hill's (2003) report gives useful estimates of this to 2001. That report estimates that in 2001, the proportion of 15-19 year olds not in employment, education or training (excluding those involved in child rearing) may have been about 17 percent, and about 13 percent for the 20-24 years age group. This is relatively high by OECD standards. For both age groups, young men showed slightly higher rates of non-participation than young women, a trend that has been consistent since the mid-1980s. Data from the 1996 Census indicate that, at that time, Maori and Pacific youth had the highest incidences of non-participation, followed by young Pakeha, while Asian youth had the lowest rates. Those data also show relatively high levels of non-participation among young people

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<sup>1</sup> See Easton's accompanying paper 'The Youth Labour Market Guarantee: The Environment'.

with low or no qualifications, those not living with their parents and those with disability or health problems (Hill, 2003).

**3.2 Regional variation:** Hill's report indicates a great deal of regional variation in relation to non-participation. In the late 1990s the areas showing high rates were in the Far North, central North Island and East Coast of the North Island – she notes that these are all locations that emerge as socially deprived in the NZDep96 deprivation index.

Low rates of non-participation were recorded for the main centres. However, when the *distribution* of these young people is considered across the country it is clear that a significant percentage is concentrated in these centres (or was at the time of this study): 29 percent of all non-participating 15-19 year olds lived in the seven Auckland Territorial Local Authorities. Figures for the other main centres include: Christchurch (7%), Hamilton (5%), Dunedin (4%), Lower Hutt (3%), Wellington (2%), Rotorua (2%).

All of these figures are now somewhat dated, and recent data suggests that currently, the non-participation rate may be considerably lower than it was at the turn of the 21<sup>st</sup> century. Nevertheless it is worth noting that the children born in the early 1990s form a large cohort (the 'baby blip') that will soon be entering mid-adolescence and facing the challenges of transition, including the risks of non-participation. The Taskforce's ongoing concern with youth unemployment, in spite of current low levels of unemployment nationally, is therefore timely.

Hill reports that the non-participation rate appears to follow a similar pattern to the unemployment rate, rising from 1986 to 1991 and then declining in the years to 2001. While low unemployment at present may imply comparatively low levels of non-

*Early assistance is important for those at risk of a sustained period of non-participation.* participation, the importance of addressing the needs of these young people is not diminished by this. Some level of non-participation may be expected in the early period of transition as young people take time out on leaving school, perhaps to travel or try out various post-school options, but there is strong research evidence that *sustained* unemployment in the first year after leaving education can adversely affect job prospects and earnings into the future. This points to the importance of early assistance to young people who may be at risk of a sustained period of non-participation.

In order to design processes and programmes that will address the needs of these young

people, it is important to understand the transition environment in which they are located. Solutions that may have worked last century are likely to fail if they do not recognise that transition has changed in significant ways in recent years.

#### **4. The Changing Nature of Transition**

School-to-work pathways for young New Zealanders at the beginning of the 21st century are considerably more complex than they were for the parents and grandparents of these young people. During the post-war years transition pathways were relatively straightforward: most young people moved directly from school into the full time workforce. The full employment environment of those years also provided sheltered ports of entry into work for young men through the apprenticeship system, and for young women through the practice of women leaving employment once married or with the birth of a first child. These transition paths into employment benefited young workers in three ways: first, they offered shelter from competition from skilled and experienced labour; secondly, many of the jobs involved on-the-job training; and thirdly, being in employment linked young people into networks within industry that facilitated their subsequent movement in the labour market.

Economic and social changes over the past three decades have profoundly altered this environment and, with it, the requirements for managing transition effectively. Few of the traditional sheltered ports of entry into work now exist, and the benefits that they offered young workers must now be recreated in other ways. Transition is no longer the linear school-to-work process it once was. For many, it has become a lengthy and often

*Young people are managing multiple transitions concurrently* expensive process incorporating periods of education/training in tertiary institutions. This extension of transition has meant that many of the ‘markers’ associated with adulthood (leaving education, leaving home, getting a job, beginning a relationship and so forth) now occur concurrently, rather than sequentially for young people. The transition years often now involve balancing overlapping spheres of work, education, family and other relationships in complex ways. In effect, young people are now managing *multiple* transitions at once, none of which is necessarily uni-directional or straightforward.

Research locally and internationally indicates that there is a high level of commitment among young people to finding employment and that many expect to undertake some form of post-school education in order to be able to achieve this. Young people are very

conscious of the importance of the choices that they are making during these years, are generally proactive in their management of transition and are optimistic (sometimes unrealistically so) in their expectations of what they will achieve in these years, particularly in terms of being able to convert qualifications into well paid employment.

Some young people face multiple hardships that create barriers to successful transition. Many jobs that might once have been available straight from school (particularly for early school-leavers and those with low levels of literacy) now either no longer exist or

*Transition has become a resource intensive process* require a tertiary qualification of some form. This means that transition has become a much more resource intensive process than it once was. Not all young people have access to the necessary resources to negotiate it successfully. Tertiary fees and living expenses while studying or training

are perhaps the most obvious resource requirements. But access to family support (both financial and emotional) and a stable living environment are also vital, as is access to good career guidance, job search assistance and, where necessary, remedial educational assistance.

This transition environment has implications for the design of programmes and processes intended to assist youth participation in education, training and employment. These implications are outlined in the next section, with reference to the characteristics of best practice drawn from the international literature on labour market assistance for youth. Not all of these measures involve moving a young person directly into work. The Taskforce may find it useful to consider this when thinking about the introduction of a Guarantee of some kind. Youth Guarantees in the Nordic countries offer some useful

*A Guarantee may involve a package of measures* lessons (Hummeluhr, 1997). Forms of Guarantee have been operating in these countries since the 1970s. Generally they have taken the form of a package of measures involving close co-operation between local bodies, education and labour authorities, and local industry to design assistance appropriate to the needs of individual young people. What is guaranteed

to a young person may, for example, be a place in an education or training programme linked to local business, or a temporary job with training, or temporary support for self-employment. Intensive guidance and follow-up are integral to such Guarantees. These forms of Guarantee recognise the importance of a *developmental* approach to transition assistance in which different forms of assistance may be needed at different stages in the

process of transition depending on the needs of the young person concerned. Research suggests that this should involve a combination of social service support, quality training, job search assistance and post-placement support, as outlined in Section 5.

## **5. Designing Effective Forms of Assistance<sup>2</sup>**

The Taskforce goal of assisting young people to move towards ‘long-term economic independence and wellbeing’ is a developmental goal. That is to say, it incorporates an expectation that young people will develop the skills that enable them to participate effectively in the labour market in ways that enhance their wellbeing. In facilitating this goal, transition assistance should, therefore, also be developmental.

**5.1 Early intervention and social service support:** Young people moving between school and work are likely to be managing multiple transitions concurrently. Participation in education/training and work should therefore be seen within the context of these different spheres of activity. Because young people are often dependent on others (particularly family) for financial and emotional support, as well as for shelter and a safe living environment, they cannot readily bracket these aspects of their lives from their involvement in education, training or work. Should family and other relationships, living circumstances, or education/training or work requirements be particularly difficult to manage, then a young person’s capacity for participation will be adversely affected.

For many disadvantaged young people, therefore, high quality, on-going social service support is essential if their placement in programmes and into jobs is to succeed. In fact, as Lange<sup>3</sup> notes in his accompanying paper (p.5): ‘It may be in no-one’s interest if the

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assistance*

first destination for a group of the most disaffected is formal training, full-time, or even a part-time job. Some will face numerous hurdles in their lives, which mean work, training and learning are simply unrealistic first options. Care leavers, the homeless, those with drug and alcohol problems and young offenders are among those most at

risk of being unable to hold down one of the options without co-ordinated effort to address the other barriers.’ Even for those in less desperate circumstances, unsafe or unstable living conditions as well as a range of other barriers (e.g. literacy problems) are

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<sup>2</sup> See the accompanying paper ‘Young people in the labour market’, by Higgins. For a more detailed account see Higgins 2003.

<sup>3</sup> ‘Buffer Stocks, Welfare to Work and Australia’s Job Guarantee: A Model for New Zealand?’

likely to hinder involvement in work or education. The success of education/training and employment assistance therefore rests heavily on support services tailored to individuals facing these barriers during (and, indeed, before) the transition years.

In relation to this, Lange comments on the introduction in the U.K. and elsewhere of a ‘Gateway’ period of pre-employment support and preparation prior to placement in training or work. Such a period is likely to be of benefit to young people and to trainers/employers: for the former group by addressing barriers that prevent full participation in training or work, and for the latter group by enhancing the employability of the young people coming into training programmes and jobs.

**5.2 The importance of quality training:** If young people are to develop the skills that will facilitate their effective participation in the labour market, then quality training must be a fundamental part of any transition assistance programme. Without a significant and high quality training component, employment assistance programmes risk becoming ‘holding pen’ options for the otherwise ‘hard to employ’. Young people can become locked into such programmes: without training they will not gain skills sufficient to move into other work; just as important, employers may come to regard participation in such schemes as a signal of unemployability. If, on the other hand, a scheme involves developmental characteristics, such as quality training, then it is likely to facilitate rather

*Training matters, both in terms of what is taught and how it is taught.* than hinder future labour market mobility because both participants and their potential employers will trust that the scheme can genuinely help those that take part.

It is important that training content is delivered in a way that makes sense to, and motivates, young people. High quality training is particularly important for those who are currently not participating in employment or education/training. These young people are likely to have had negative experiences of the education system; they are therefore unlikely to respond well to poor quality teaching or to a training environment that replicates their school experience.

Effective courses pay attention to balancing and integrating a mixture of general (or remedial, or foundational) education, with occupational skills training and work-based learning such that young people can relate what they are learning to what they want to do in terms of employment and be encouraged to work towards achieving this goal.

Establishing this relevance is crucial to the success of training whether in a programme or in the workplace and is important for both trainees and employers. A ‘training treadmill’ that moves participants from programme to programme without ever getting them close to a job will be a profoundly demotivating experience for job seekers and may do more harm than good in terms of labour market attachment for these young people. Employers also require clear expectations about what a training programme will deliver and how the skills learned in that programme may be relevant to them. If employers are part of the training (e.g. through work experience components of programmes) then clear guidelines and monitoring of training are essential in order to avoid incentives to employ participants simply as cheap, unskilled labour.

*Young people need to understand the relevance of training to their employment goals*

**5.3 Integrating training with formal education** Training should be integrated with formally recognised pathways in education so that participants are able to credit the training they undertake to a recognised qualification. For young people not in education training or employment, many of whom may have dropped out of school without qualifications, such integration can offer a link back into the education system. These links provide participants with opportunities to move along accredited pathways in terms of skill development at different times in their learning and working careers. In addition, recognised qualifications enable prospective employers to have clear expectations about what job applicants can do. This recognition also gives employers clear guidelines about what is expected in any workplace training that they undertake to provide.

**5.4 Links with the local labour market:** There is a great deal of evidence that the most effective employment assistance programmes are those with strong links to their local labour market. This means that careful assessment of the local labour market is essential to the design of effective assistance (whether training or job search), as is an understanding of the hiring practices of local employers. These connections enable participants to learn skills that are in demand locally and to see the immediate relevance of the training they are undertaking. Employers are also likely to value training programmes that are responsive to local industry needs. Job search assistance too, is most effectively done when case managers and course tutors belong to well established local networks and understand local labour market conditions well.

*Effective assistance is based on strong links to the local labour market*

It is worth noting that some research has suggested that generic schemes that lack such links to the local labour market and engage in ‘training for training’s sake’ may be more detrimental to participants than no training at all. Such schemes are likely to stigmatise trainees in the eyes of employers; to demotivate young people who see no direct link between training and work; and to take up time that would better spend in job search.

In summary, successful programmes take assistance seriously by investing in quality staff and excellent, creative programme design. They take account of the likelihood that the young people enrolled in them may have had highly unsatisfactory educational experiences hitherto and may be having difficulty managing other areas of their lives that impinge on their capacities to be involved in education and employment. They establish close links with local employers and offer training in skills that are specifically linked to jobs in local labour markets. These programmes also look to the post-programme development of participants by enabling them to gain recognised credentials that will allow them to pursue further training in keeping with long-term employment aspirations. Finally, they offer post-programme follow-up and support to assist participants to remain in work or to pursue relevant education pathways.

This range of characteristics of effective programmes suggests that the most useful response to the needs of young people not in education, training or employment, may involve a *process* rather than a single programme. A Guarantee may, therefore, involve a promise of placement and assistance within this process. *Assessment of needs* may be the first step in a phased process, followed by *co-ordination of social service support; training and education* (including remedial education); *job search assistance* and *job placement*. The Youth Job Guarantee, discussed below, should be seen in this context: not as a single solution to youth unemployment but as one type of Guarantee that could be part of a wider process assisting young people’s phased entry into the labour market.

## **6. A Youth Job Guarantee<sup>4</sup>**

The Youth Job Guarantee is an initiative being explored in Australia by the Centre of Full Employment and Equity, as part of a larger Community Development Job Guarantee. The programme is designed to be funded centrally but made operational at

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<sup>4</sup> This is explored in depth in Lange’s accompanying paper ‘Buffer Stocks, Welfare to Work and Australia’s Job Guarantee: A Model for New Zealand?’ The details in this section are drawn from that paper.

the local level. In the programme:

*the Federal Government would maintain a “buffer stock” of jobs that would be available to the targeted groups. The CD-JG would be funded by the Commonwealth but organised on the basis of local partnerships between a range of government and non-government organisations. Local governments would act as employers, and CD-JG workers would be paid the Federal minimum award. Any unemployed teenager (15-19 year old) who was not participating in education or training would receive a full-time or part-time job. ... CD-JG positions could be taken on a part-time basis in combination with structured training (Mitchell, Cowling and Watts, 2003).*

In the Australian scheme, these would be public sector jobs supporting community development and environmental sustainability. They may involve, for example, urban renewal, community and personal care, and environmental protection. As public good jobs with intergenerational payoffs they would be of value to the whole community as well as to programme participants. It is intended that they should be *new* jobs, and as such would not displace workers already employed, nor publicly fund workers who would otherwise be employed in the private sector.

Several key questions arise in relation to the Guarantee scheme. Is it economically feasible? How might it be designed to take account of the characteristics of best practice described above? What might be done to address the likelihood that not all local communities have the capacity to generate the required number of jobs?

**6.1 *Would a Guarantee be economically feasible?*** In any such scheme issues of economic feasibility arise. In this case, critics have argued that the scheme would have a negative impact on price stability, the balance of payments, work incentives and competition. Lange addresses these concerns in his accompanying paper (p.9):

(i) *Price stability*: only a modest boost to aggregate demand is expected because the design of the Job Guarantee at a fixed wage rate sets a wage floor and does not disturb the private sector wage structure (Mitchell, 1998).

(ii) *Balance of payments*: only a modest increase in import spending is envisaged due to slightly higher disposable incomes for Guarantee participants, which will not generate any chronic external instability.

(iii) *Competition and economic efficiency*: the Guarantee proposal and related research

provides persuasive evidence that the macroeconomic costs of unemployment dominate any realistic measure of the costs of microeconomic inefficiency. Direct macroeconomic intervention is thus justified on this basis.

(iv) *Work incentives*: research has demonstrated that the Guarantee would not create disincentives to work (Mitchell and Watts, 2002). Whilst it was shown that claimants would prefer benefits to Guarantee rates, the same individuals would prefer private sector employment to Guarantee job opportunities. This, in turn, justifies a policy mix in which Guarantee employment would be provided to those target groups who would then not have access to benefit payments.

### **6.2 What package of training and support measures should a Guarantee include?**

Internationally, schemes of this kind (e.g. workfare in the United States, the New Deal in the U.K.) offer two broad approaches towards helping young people into employment. The U.S. has tended to favour schemes based on a ‘labour force attachment’ model in which the priority is to move people into work as quickly as possible, with the aim of maintaining their attachment to the labour force. These are ‘work first’ approaches, giving little attention to training. The research outlined in Section 5 suggests, however, that such approaches are not suitable for many young people, particularly those most likely to be of concern to the Mayors – those experiencing multiple disadvantage.

The alternative ‘human capital development’ model is more promising for this group and more in keeping with the principles of best practice described above. As Lange points out (p.4): “Although this [approach] is also focused on moving claimants into work, it is

*Forms of pre-employment and in-work support are essential for programme effectiveness*

usually informed by an understanding of weaknesses in the labour market as well as problems which prevent claimants from competing successfully for whatever jobs are available. The range of policy initiatives, under this model, is typically wider and endorses adult basic education to improve job readiness, pre-vocational training, in-

work training and other forms of in-work support. Programmes are therefore expected to move people not only off benefit as quickly as possible but they are also judged by participants’ success in retaining jobs and moving up the earnings ladder”.

Under this model, placement in a Guarantee job would, for most participants, be one step in their engagement with the labour market. How long they remained in a Guarantee job

would depend on several factors including how effectively the various barriers to education, training and employment that they face could be addressed. For some, a short time in a Guarantee job may be sufficient to provide the skills and confidence to move on quickly. For others, a lengthy period may be needed. Regular assessment of the benefits of involvement for individual participants, and assistance to move on when ready, would be essential if the Scheme was to avoid the risks of lock-in and stigmatisation discussed in Section 5.2 above.

**6.3 Could the regions generate enough jobs?** The Guarantee, while centrally funded, is designed to be a locally driven scheme in which local government acts as employer for local target groups. The value of such a scheme (over schemes that are centrally designed and controlled) lies in its potential responsiveness to local labour market conditions and community needs. This focus requires the regions to generate enough public sector jobs to accommodate those in their target groups. At present, with unemployment in New Zealand at historic low levels, this might not be difficult to achieve. Should jobless numbers rise however, some regions may be unable to generate the necessary public sector capacity. Even in the current high employment situation, some regions are likely to have greater capacity than others to generate the types of jobs that the Guarantee involves.

Because of these regional differences, Lange suggests that it may be useful to consider whether the Guarantee might also be applied, at least in part, to the private sector. There are difficulties with such an extension of the scheme: in particular, there is the risk of displacing already-employed workers or of publicly funding jobs that would otherwise

*Locally based partnerships are important for the success of any Guarantee scheme*

have been funded privately. These risks are sufficiently serious that an extension to the private sector should only be considered when public sector capacity is insufficient. In that case, however, the development of partnership initiatives between the private sector and local government might be appropriate, provided these are carefully

designed to minimise displacement. For example, Lange cites a case in which a large retailer in Scotland formed a partnership with a range of local government agencies to employ local unemployed people; the results were impressive in terms of both take up and job retention.

Overall, Lange argues in favour of a Guarantee scheme provided that such an initiative

(i) is based on well designed partnerships involving a variety of policy actors, (ii) includes flexible and mixed approaches to full and part-time work and (iii) incorporates well resourced pre-employment assistance carefully tailored to individuals' needs.

## **Conclusions**

If New Zealand is to develop the highly skilled population envisaged by the Government's *Growth and Innovation Framework* and desired by many New Zealanders, then attention to the needs of young people during their school-to-work transition years is crucial. As Easton has shown in his accompanying paper, youth transition is a critical time for developing skills; the period from one's late teens to early twenties is the most important formal upskilling period in one's lifetime. Many young New Zealanders manage this transition period in straightforward ways. Some, however, face barriers to successful transition and need considerable support to overcome these.

The goal of the Mayors' Taskforce to assist all under 25 year-olds towards long-term economic independence and wellbeing recognises the importance, for future life chances, of negotiating this period of late adolescence well. The Taskforce has also recognised the possibilities offered by a *local* response to this issue. This report is intended to resource the Taskforce as it considers whether some form of Guarantee may be an appropriate way to address its goal for young people. Two sets of questions emerge from this report: one set relates to the possibility of a Guarantee; a second set to wider issues concerning transition assistance for young people.

In relation to a possible Guarantee, the following questions emerge:

1) *Who should the target group be?* In view of the Taskforce goal, and the heavy involvement of many young people in post-school education and training, the group most in need of assistance is likely to be those young people currently not participating in education, training or employment. Many in this group are likely to be suffering from multiple disadvantage, and therefore may require more than one kind of assistance.

2) *What form should assistance, such as a Guarantee, take?* The needs of the young people in the target group defined above are such that a process of phased assistance into employment is likely to be more helpful than direct placement into an unsupported position in a job. Thus a Guarantee may involve a package of measures organised as a process that begins with needs assessment, leads on to forms of social service support,

education and training (usually in association with employment) and finally leads to dedicated employment (with appropriate post-placement support and follow-up) in, for example, a temporary job in the public sector, as in the Australian Guarantee discussed in Section 6. A Guarantee could involve an offer of a position anywhere on this spectrum of assistance, according to the needs of the young people concerned.

*3) What form should a local response take?* Evidence from Guarantees in the Nordic countries and from research elsewhere suggests that the process just described requires a strong local grounding. Relationships forged locally (between, for example, local bodies, education/labour authorities and local industry) can often provide a sound basis for addressing local needs. An essential first step in any local response, therefore, is to identify what is already happening in a region in terms of assistance to the target group. With a clear overview of the assistance being offered in its region, local government is well placed to: (i) foster and enhance successful programmes that are already operating; (ii) encourage the formation, or improved operation, of relationships between education/labour authorities, local programme operators and local business; (iii) identify gaps in assistance provision; and (iv) co-ordinate forms of already-existing assistance in useful ways. All of these initiatives would, of course, be possible without instituting a Guarantee.

*4) What are the limitations of a Guarantee?* A final comment is perhaps in order regarding the limitations of Guarantee schemes. Some of these limitations are practical in nature: for example, the Australian case discussed in Section 6 has identified that regions may lack capacity when it comes to offering public sector job placements. This occurred in Finland where a Guarantee instituted in 1988 had to be withdrawn in 1992 because municipalities could no longer provide sufficient jobs or training places. Additional problems when the private sector is involved (such as displacement) have also been noted in this report.

Other problems are more conceptual in nature. The experience of the Nordic countries indicates that a Guarantee may raise unrealistic expectations among young people that they will be offered long term, high quality work of their own choosing. In the case of Guarantees in the Nordic countries this was not generally possible, and so it became important to be very clear about the nature and limits of what was and was not offered in a Guarantee. Hummeluhr (1997:25) comments on attempts to establish legal bases for

Guarantees in these countries and observes that this was very difficult to do in a way that would 'give young people a guarantee they felt satisfactory and at the same time did not interfere in the functioning of the labour market'. But, as noted above, a legal Guarantee does not need to be in place for the initiatives discussed in this report to be implemented in ways that will assist young people towards long term economic independence and wellbeing.

Alongside these questions about implementing a Guarantee, this report raises some other questions about wider issues of transition that may also be important to consider. In particular, are there ways in which the Mayors' Taskforce can work collaboratively with government to help all young people (to age 25) make successful transitions?

Questions relating to this revolve around the following issues:

*1) How well are current forms of early intervention and social support for young people operating?* This is a local issue in so far as the youth demographics of each region may demand different patterns of response in different regions. Are there ways for such responses to be improved through collaboration between local and national government?

*2) Are there sufficient places in quality training institutions/programmes for the young people who need them?*

*3) Are current linkages between local labour markets on the one hand, and schools, training institutions/programmes etc. on the other, operating as smoothly as possible?* Is the Taskforce well placed to address this key local issue? If so, how might this best be done?

A wide range of forms of assistance for young people in transition currently operates throughout the country. While the Mayors' Taskforce clearly cannot be involved in all these forms of assistance it may be useful to consider the ways in which the resources and the strategic position that the Taskforce has, might facilitate best practice in transition assistance by working collaboratively with both local communities and national government.

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