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ABSTRACT

Contrasting employment, education, and training developments occurred during the 1980s in Britain and Australia. High school completion rates in Great Britain and Australia have been low in comparison to the United States, but the work pattern changed when the market for unskilled youth labor collapsed in the 1980s. Australia increased proportions of completers; Great Britain focused on employer-based training. Australian government officials withdrew job creation and employment subsidies and supported curriculum reform through policy coordination between education and labor departments. An increase in high school completers resulted. In Great Britain, an employment-based solution, the Youth Training Scheme, was favored whereas school reform was not, resulting in a low increase of school completion. The two countries differed in government coordination: British agencies followed a divergent path, whereas Australia's coordinated approach increased education participation rates. U.S. decision makers may learn more about the potential of work-based training by looking at the experience of Britain and Australia. Although employer input is important, such training should be controlled and delivered by schools and colleges rather than the employment sector. (94 references) (NLA)

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Executive Summary

Lessons from Britain and Australia

Executive Summary

A striking feature of the late 1980s is the emerging consensus among policy makers about the need to increase the amount and quality of education and training young people receive. This consensus evolved out of an earlier concern with the "youth problem," which in Britain, Australia and the United States was associated with the objective of creating jobs or finding alternatives to unemployment for those who leave school at an early age. As governments in these countries came to terms with the competitive post-boom economic climate, concern refocused on raising national economic productivity and competitiveness, and improving the skills of the workforce became the central goal of youth policy.

This paper asks what role governments can play in shaping the provision of education and training and influencing the decisions young people make about school and work. It contrasts developments in two countries — Britain and Australia — where the governments adopted decidedly different approaches to employment, education and training policy during the 1980s. Instead of pursuing comparisons with countries such as Japan and Germany which have industrial and training structures which are very different from those in the US, this paper will ask what can be learned from recent experiences in countries that share many of the traditions and suffer many of the same problems as the United States.

The case studies and analyses presented in this paper indicate that there are indeed lessons to be learned from the British and Australian experiences of the 1980s. These relate to policies for the education and training of 16- to 18- year olds, the coordination of labor and education programs, the development of credentials and the status of high school qualifications, and the role of work-based learning. Given the constraints on policy borrowing it is argued that US decision makers may learn more about the potential of work-based training by looking at what happened when it was tried in Britain and Australia, rather than from examining the success of the historically embedded dual system in Germany.

In the United States, dropout prevention continues high on the agenda, despite the fact that a substantial majority of American young people graduate from high school. Traditionally, high school completion rates in Britain and Australia have been quite low in comparison with the US. At the beginning of the 1980s, most 16-year-olds in Britain and Australia were already in the labor force. But this pattern changed rapidly during the 1980s as the market for unskilled youth labor collapsed, and traditional career ladders in service sector firms gave way to direct recruitment of supervisors and technicians with higher levels of education.

As unemployment rates rose during the 1980s, more Australian and British young people decided to stay on at school, but this natural increase was not sufficient to halt the growth of the unemployment lines. It became evident that as economic conditions changed, more and more young people would be trapped in poorly paid jobs without a future.

In Australia, state and federal governments decided to increase the proportions of young people staying on at school or entering vocational colleges. Britain followed a different route,creating a substantial system of firm-based training. In each country, the approach adopted for dealing with these issues depended on whether, traditionally, the high schools are expected to cater to the diverse needs of the whole population (the US model) or whether the national tradition is one in which different target populations are dealt with in separate institutions (the British model).

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During the 1980s, Australia moved toward the US model. But proposals for increased high school participation raised a legitimate concern: How (and to what extent) can high school completion rates be increased without destroying the status that high school credentials traditionally enjoyed in both education and employment hierarchies? Increasingly, high schools were under pressure to diversify the curriculum by adding new courses to cater to those who needed "graduation"[1] as a ticket to employment or further occupational training. Given the existence of external state-wide examinations that all students completing high school were (and are still) required to take, curriculum diversification on this scale was impossible to achieve without simultaneous reform of the assessment system.

Initially, new courses appeared at the school level; these were assessed by the schools themselves. It soon became clear that high school completion certificates (HSCs) made up of school-based courses were regarded by most employers and higher education institutes as second rate. Two forms of HSC were emerging, and the status of the HSC itself could be jeopardized by this development. The State Examination Boards were therefore asked to extend their missions beyond assessment of the academic courses required for university entrance and provide respected measures of performance for a wider range of courses. The range of HSC courses now offered meets the needs of the majority of young people, and the proportion of each cohort completing high school has increased from 37 percent in 1982 to almost 65 percent in 1990.

Fiscal constraints in Australia prevented governments (at either state or federal levels) from achieving reform through lavish "add-on" spending. Instead, it was decided that all existing government outlays should be restructured and coordinated to support the central objective of increased high school completion rates. Job creation and employment subsidies were withdrawn and curriculum reform was supported. Unemployment benefits for young people were abolished and extended education allowances were introduced. At the federal level, this entailed an unprecedented degree of policy coordination between the education and labor departments as well as with the department of Social Security, which is responsible for most youth and adult income support arrangements. At the state level, reforms to curriculum and assessment were critically important, as stated above. Together these developments led to a dramatic increase in the proportions of young people who completed high school and continued on to higher education in the 1980s.

1. In Australia, the term "graduation" is not used for high school completion. Rather, it refers to the completion of Backelor (etc.) degrees at the higher education level. Successful completion of high school involves passing the relevant State examinations and being awarded a certificate, for example, the Higher School Certificate (New South Wales) or the Victorian Certificate of Education (Victoria).

Lessons from Britain and Australia

Britain[2] followed a different path. Despite some curriculum diversification fostered by the Technical and Vocational Educational Initiative (TVEI) the rigorous academic curriculum of the final years of academic high school in England remained intact, and high school completion rates increased quite slowly during the 1980s. As youth unemployment rose, enrollments increased somewhat in the occupationally oriented Further Education system, but the major increases in participation were in firm-based training schemes.[3] In effect, an employment-based solution was favored while the approach to school reform was half-hearted and poorly resourced.

The centerpiece of Thatcher's education and training policy was the Youth Training Scheme (YTS). Under this scheme, a costly program of employment subsidies was created; it was assumed that in return for this employers would equip Britain's young people with the skills needed for working life. But employer compliance was never regulated, and there was no clear educational structure for YTS. The credentials young people obtained through YTS were often not portable between firms, and were poorly articulated with the formal education system. At the end of the 1980s critics claimed that the scheme, now known as YT, was not providing an adequate level of skill formation in many key occupational areas. In an attempt to regulate standards, the government established the National Council of Vocational Qualifications (NCVQ) for England and Wales in 1989. To improve the status of YT with employers, trainees in the scheme are now required to complete an NCVQ certificate. These reform attempts are discussed in detail in Chapter 3.

At the broadest level, Britain and Australia differed in the extent to which they attempted to achieve increased participation in education and training through employer-driven measures, rather than through reform of the mainstream education systems. They also differed in terms of the degree of coordination achieved among the different government departments whose policies determine the options available to young people. In Britain, the education and labor market departments followed divergent paths during the 1980s, and were sometimes in a state of open warfare. In Australia, the government adopted a coordinated approach to youth policy and obliged the departments of education and employment to re-align their programs in support of commonly agreed objectives. In 1987, these two departments were amalgamated.

The outcomes achieved in Australia during the 1980s suggest that decisive, coordinated government action can indeed be effective in increasing education participation rates. It is equally important to note that the Australian state educations systems achieved this increase without introducing tracking and without abandoning the tough external examinations which are mandatory for high school "graduation" (see Chapter 3.5). Britain's experience over the same period suggests that excessive reliance on an unregulated, employer-driven approach may not result in high quality training. Much remains to be learned about how to use the workplace for effective learning, and how to articulate work-based

2. More precisely, England and Wales. The Scottish model is more comprehensive, and increased diversification of high school curricula there has resulted in substantial increases in high school completion rates during the 1980s.

3. In Britain, a number of government programs are officially referred to as "schemes". The pejorative sense is not implied.

learning with the formal education system. The challenge is to understand what the United States can learn from the systemic approaches to reform attempted in Britain and Australia, recognizing that cultural and political differences between the countries involved do not allow the wholesale importation of policy strategies.

1. Reforming Education and Training Policy

Lessons from Britain and Australia

1. Reforming Education and Training Policy

1.1 From Youth Policy to Education and Training Reform

In the 1970s, when the oil shocks coincided with the coming of age of the baby-boom cohorts, youth unemployment leapt to unprecedented levels in most industrialized countries (OECD, 1984). Assuming that these high levels of unemployment were temporary, many governments resorted to short-term measures such as transition assistance, employer subsidies and public sector employment. Usually, the employer subsidy schemes carried some expectation that firms would train young people, but the nature of the training was not clearly specified and its provision was rarely supervised. In Britain and the United States particularly, and to a lesser extent in Australia, the legacy of many of these schemes is still with us today.

During the 1980s, however, there was a movement away from what might be called "welfarist" policies, which are directed at alleviating unemployment and addressing the needs of special groups, towards "mainstream" education and training (ET) policies. Replacing the earlier focus on youth policy, education and training reform emerged as a major issue in most of the advanced industrialized nations (OECD, 1988-a). Contrasting again with the 1960s and '70s, when equality of opportunity was central to the reform agenda, the education reforms of the 1980s focussed much more on economic objectives. In Britain, Australia and the United States, there was a growing feeling among decision makers that the social, economic and structural changes of the last two decades demanded a new approach. The publication of *A Nation at Risk*, for example, represented a milestone in the educational reform debate in the US. It warned against further neglect of the education and training system, stating that:

Our once unchallenged preeminence in commerce, industry, science, and technological innovation is being overtaken by competitors throughout the world... If an unfriendly foreign power had attempted to impose on America the mediocre educational; performance that exists today, we might have viewed it as an act of war. As it stands, we have allowed this to happen to ourselves (US Department of Education/NCEE, 1983, p.5).

A battery of reports followed this one, adding to the pressure for reform by pointing to the growing gap between the skill demands of a changing economy and the outputs of the education and training system (see, for example, Johnston & Packer, 1987; Commission on the Skills of the American Workforce, 1990).

The central objective of this paper is to examine the role governments can play in promoting this reform agenda. It contrasts developments in two countries — Britain and Australia — where the governments adopted decidedly different approaches to employment, education and training policy during the 1980s. Instead of pursuing comparisons with countries such as Japan and Germany which have industrial and training structures

which are very different from those in the US, this paper will ask what can be learned from recent experiences in countries that share many of the traditions and suffer many of the same problems as the United States.

There are two reasons for this. First, numerous helpful explorations of the German and Japanese systems have already been published (see, for example, Casey, 1986; Dore & Sako, 1989; Dorfman, 1987; Hamilton, 1987, 1990). While these studies warn against attempting to "take over" the German dual system or the Japanese model in any whole cloth sense, they have identified some principles of best practice which might be imported into the education and training system of the United States.

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The second reason — as already implied — is that cultural, historical and institutional factors limit the viability of most "policy borrowing" options. As Sako (1990) has explained, it is not possible to emulate the total vocational education and training system of Germany or Japan without also emulating many of the supporting institutions. Within Germany and Japan, distinct cultural and historical factors underlie the consensus on which the training system depends. Employers in these countries are willing to provide training in part, because of tradition, and in part, because of low worker mobility, the existence of cooperative agencies which structure inter-firm relations, and because the state is committed to education and training activities and subsidizes their costs. Firm-based training in Japan is enforced and financed through a nation-wide tax and levy system. In Germany, the financial incentives are indirect, but the system is regulated by a standards-keeping process based on a consensus among employers, unions, schools and government. None of these conditions exist in the United States; it therefore makes little sense for educators to exhort US employers to imitate German and Japanese systems when the traditions, incentives and supporting institutions underlying those systems are simply not present in this country.

This does not mean that work-based learning is an inappropriate reform strategy for the United States. It does mean that other countries' firm-based training systems cannot be imported unless the contextual infra-structure is also imported. No amount of admiration of German model will allow us to fit a square peg into a round hole: the dual system cannot simply be replicated in this country. US decision makers are likely to learn much more about the potential of work-based training by looking at what happened when it was tried in Britain during the 1980s, than from examining the success of the historically embedded dual system in Germany.

In Britain, debate about education and training reform began auspiciously as far back as 1976, when former Prime Minister James Callaghan gave his famous Ruskin College speech and criticized the British ET system for failing to meet the needs of the nation in the late twentieth century. Subsequently, under the Thatcher administration, education funding was cut while the government focussed most of its energies on expanding the Youth Training Scheme. At one level, the YTS (now YT) was a resounding

success. It engaged one quarter of Britain's 16- to 18-year-olds in employment or employment-related activities, dramatically reducing the youth unemployment lines. Being employer-driven, however, it proved difficult to guarantee the quality of the training provided through the scheme. As the British case study below shows, many trainees in this scheme did not gain a recognized credential, and the quality of training provided came under more and more criticism toward the end of the 1980s.

Lessons from Britain and Australia

1.2 The Policy Context in Comparative Perspective

Despite differences between the strategies pursued in Britain and Australia, policy makers in both countries seem to agree on certain key objectives for youth education and training reform. They are mostly concerned with those young people who leave the formal education system poorly prepared for the world of work, lacking credentials that carry weight in either the education or labor market hierarchies. Two broad policy objectives are relevant to this target group in Britain and Australia as well as in the US: one is to increase levels of participation in education and training, and the other is to raise the quality and status of the credentials young people receive at recognized exit points.

Since the purpose of this paper is to ask what the United States might learn from Britain and Australia, we need at least a "thumbnail sketch" of the main differences between the education and training systems of these countries. This outline will be built up by way of comparisons and contrasts with specific aspects of the US education and training system. To understand what the US can learn from the strategies attempted in Britain and Australia, it is important to ascertain why the proportion completing high school differs between these countries, in what ways their labor markets are similar or different to that of the US, and what factors influence the status of vocational and academic pathways in each case.

In comparing the school systems, the differences among the countries are least during the elementary and junior secondary years, where provision is essentially comprehensive. In terms of both structure and participation levels, the differences become most obvious when we look at the options available for those aged 16 and over. More than nine out of ten Americans stay on after age 16, and those who leave without graduating are called "dropouts". The proportion of young people completing high school in the US is not known with certainty, but estimates range from 75 to 85 percent (Rumberger, 1987). In contrast, only about 40 percent of two British 16- to 18-year-olds continue in full-time education, and those who continue are described as "staying on". As Raffe & Rumberger (1990) note, "the contrast between the British phrase 'staying-on' an the American phrase 'dropping-out' conveys a lot about the ways in which participation issues are discussed in the two countries" (p. 2).
Raffe and Rumberger point to three contrasts between Britain and the United States that help to explain these substantial differences in high school participation rates. The first two relate to the structure of the education and training system; the third relates to differences in the youth

labor market between the two countries. Although there are some variation among the states within the US, education is compulsory up to age 16 in both countries. While in Britain most 16-year-olds have just completed a recognized stage of education, in the United States they are typically only half way through their four-year high school programs. In England and Wales the General Certificate of Secondary Education (GCSE) coincides with the end of the compulsory years, and it carries the status of a legitimate passport to further education or employment for the majority each youth cohort. In the US, there is no formal recognition for completing some but not all of the high school program.

The second difference is that Britain provides a "mixed model" of education and training provision during the post-compulsory years, in contrast with the "schooling model" of the United States (OECD, 1985). In Britain, staying on at school is only one among a range of post-GCSE options. According to the UK Department of Education and Science (DES, 1990) about 80 percent of 16- to 18-year-olds were in some form of education and training in 1988. About 30 percent of these were staying on in secondary school, and another 22 percent were studying full-time at a Further Education college. That is, just over half of the 80 percent who continue with some form of education are studying full-time, while the remainder are in some combination of employment and training.

Most young people who are combining employment with part-time training are in the Youth Training Scheme: YT has therefore become the dominant form of employment-based training in Britain. Without YT, the UK would rank towards the bottom of the industrialized countries in terms of the education participation of 16-year-olds. The UK governments' claim to occupy an "intermediate position" in the education participation stakes (DES, 1990) rests on the implied equivalence of YT and full-time education. But given the variability in the quality and the nature of what passes for "training" under YT, any equivalence with school or college-based education is highly debatable (Raffe & Rumberger, 1990). As the case study below indicates, only a small proportion of YT trainees gain any recognized qualification through the program, and there is a growing consensus among policy analysts that Britain's future skill needs will not be met if the nation continues to rely so heavily on this scheme.

A third contrast between Britain and the United States lies in the nature of the youth labor market. The US youth labor market does not offer substantial incentives to abandon full-time education. Most youth jobs are casual, part-time, poorly paid, and rarely offer gateways to promising careers (Osterman, 1980; 1988). In contrast, the youth labor market in Britain offers stable, full-time jobs with both short-term and long-term benefits, since many training and career opportunities are effectively restricted to those who have left school by age 16 or 17 (Raffe & Courtenay, 1988). Students in the United States are able to take advantage of the abundance of part-time job opportunities, and treat labor force participation as a complement to full-time study. In Britain, labor market entry is usually a substitute for (rather than a complement to) full-time

education, since part-time student jobs are harder to find than in the US (Raffe & Rumberger, 1990).

Lessons from Britain and Australia

In Britain and the United States, education and training policies focus on different target groups and different policy objectives. Dropouts in the US face a rough road — high unemployment, low pay, and little hope for stable careers in the future. Reducing dropout rates therefore continues to be a central policy objective. It is interesting to note that some of the policy proposals which advocate work-based learning as a way of increasing school retention could take the US towards a "mixed model" of youth education and training (See, for example, BW Associates, 1988). A second strategy — perhaps best represented in Tech Prep — is to raise the quality and status of the high school diploma for those in the technical and general tracks, and encourage a greater proportion of these to achieve higher level occupational expertise through Community College qualifications (Bragg & Phelps, 1990, Hull & Parnell, 1991). A third strategy — notably the youth apprenticeships advocated by Jobs for the Future — seeks to combine the best features of both (Nothdurft & Jobs for the Future, 1990).

Youth apprenticeships will provide structured work experience to enliven classroom learning, support career exploration, and facilitate the transition to adulthood. At the same time, youth apprenticeships will result in "formal, universally recognized credentials that meet nationwide standards" (Nothdurft & JFF, 1990, p.19). More often than not, the required standards will entail one or two years of post-secondary study. An important objective of this paper is to ask what the youth apprenticeship initiative can learn from Britain's large-scale attempt to incorporate work-based learning into the national education and training system.

Britain certainly succeeded in establishing YT as a nation-wide system, but the educational quality of the scheme was compromised by the fact that it was expected to serve multiple objectives — controlling unemployment growth as well as delivering vocational training. The objective of preventing a massive expansion of youth unemployment was achieved through the dramatic growth of YT, but regrettably, little was done to guarantee the quality of the training provided under this scheme. At the same time, efforts to promote an increase in the proportions staying on to complete high school in England and Wales were half-hearted. Towards the end of Thatcher's rule, policy attention turned to raising the status of YT by increasing its duration from one year to two, and by demanding that all trainees completing YT receive some form of certification. Evidently, Prime Minister John Major is not convinced that these measures will be adequate to solve Britain's training needs, since he recently announced a program of reforms designed to increase enrollments in the final years of secondary school and in higher education institutions.

Australia provides an interesting counterpoint to both the US and Britain, since it shares features of both systems. In the past, the final years of study

in Australian high schools were traditional and narrowly academic. It is therefore not surprising that the Australian pattern of high school participation was fairly similar to that in the UK. During the 1970s, about half of each cohort typically left school by age 16 to enter the workforce, and about half of these continued in part-time training through an apprenticeship or a Technical and Further Education (TAFE) program.[4] But at the same time there was a growing public demand for access to higher education, and reform strategies that would lead to a more inclusive curriculum for the final years of high school were being extensively discussed by educators at both state and federal levels (see, for example, Schools Commission, 1980; Keeves, 1982; Blackburn, 1985). With the combination of labor market and policy changes in the 1980s, high school completion rates increased to such an extent that the proportions of young people in full-time education have started to approximate US levels, especially when enrollments in TAFE courses are included alongside high school enrollments.

Throughout the 1970s, about half of each Australian youth cohort typically left school at the end of grade 10 (around age 16). But between 1982 and 1990, the apparent retention rate[5] to the final year of high school increased from 37 percent to 64 percent. Given that about ten percent of each cohort continues with full-time or part-time studies leading to TAFE diplomas, and another twelve or thirteen percent become apprentices, it appears that over 80 percent of each cohort of Australian young people are now engaged in education and training programs leading to a recognized credential.

How did these changes come about? To what extent can we attribute these results to the successful implementation of government policies, and to what extent were they the inevitable outcome of changing labor market conditions? Events of the last 15 years show that the relationship between youth unemployment and education participation is neither simple nor direct. Between 1974 and 1983, youth unemployment in Australia ratcheted upwards, with each seasonal peak setting a new record, and the seasonal lows never returning to what were previously regarded as "normal" levels. Part-time jobs for young people grew rapidly, and the Australian youth labor market took on many of the features of the youth labor market in the United States. Under the conservative government of Prime Minister Fraser, various employment-based schemes were tried between 1975 and 1983, but youth unemployment continued to rise while high school completion rates remained stagnant. When Hawke's Labor government gained office in 1983, it had to decide whether to address the problem by expanding the formal education system and encouraging more young people to stay at school, or by creating an employer driven scheme like the YT. The case study presented below shows that the government in fact offered both alternatives, but the option chosen by an overwhelming majority of young people was to stay on at school.

Why did Britain and Australia follow such distinctly different pathways for youth education and training provision in the 1980's? The answer has

4. Reflecting inherited British traditions, Australia's trade schools, Technical Colleges and Mechanics Institutes (many of which were founded in the 19th century) typically comprised a poorly articulated and under-resourced collection of bodies. Although still under-resourced, they have been substantially upgraded and systematized since the mid-1970s.

5. The "apparent retention rate" to final year expresses the number of students enrolled in year 12 as a percentage of the numbers enrolled in the first year of high school (year 7 or year 8) an appropriate number of years before. It is referred to as the apparent retention rate because it ignores the (small) statistical errors caused by migration into or out of the system during the high school years.

as much to do with differences between the educational traditions and training infrastructures of the two countries as it has to do with contrasts between Thatcher's monetarism and Hawke's reformist ideology. In the two case studies which follow, the evolution of current policy in Australia and Britain is described, and the implications of each approach are discussed. The final chapter asks what lessons can be learned from the experience of these two countries, focusing particularly on current proposals in the United States for the reform of education and training provision for 16- to 18-year-olds.

Lessons from Britain and Australia

2. Australia: A Coordinated Approach

When Bob Hawke was elected as Prime Minister of Australia in March 1983, the position of Australia's young people had never been worse. One quarter of the 1982 school leavers[6] were still without work at the end of the summer, and roughly half of all Australia's unemployed were under 25 years of age (ABS, 1983). Despite the poor job prospects, education participation rates were declining. It seemed that young people were dropping out of school in a scramble for jobs that did not exist.

By the end of the decade, the situation had changed dramatically. High school completion rates had increased substantially, and the flow-on effects were already apparent in the higher education system. Apprenticeship intake figures showed steady growth over this period, and the new Australian Traineeship System, created in 1985, signed on 13,000 trainees in 1988-89 (EPAC 1989; DEET, 1989, 1990). As a result of these developments, the full-time unemployment rate for 15- to 19-year-olds fell from 26.7 percent in April 1983 to 14.9 percent in May 1989. This corresponded to an increase the proportion of this age group actively engaged in full-time education or employment from 80 percent to 88 percent.

This reduction in levels of youth unemployment cannot be explained away in demographic terms. Unlike other countries, the decline in the size of the Australian youth cohort is beginning only now. Throughout the 1980s, the youth cohort grew steadily; the 16- to 17-year-old population peaked in 1988, and the 18- to 20-year-old population continued growing until 1990. Nor can it be explained in terms of a sudden growth in the market demand for teenage labor. On the contrary, the proportion of the 15-to 19-year-olds employed full-time declined slightly from 34.5 to 33.3 percent of between 1983 and 1986. It is possible, of course, that a change in the demographic composition of the population (for example, an increase in the proportion of students with highly educated parents) might have contributed to increased education enrollments. This possibility deserves further exploration, as it may account for some of the variance.

Essentially, the reduction in youth unemployment levels in Australia was the result of increased enrollment levels in education and training programs. While changes in demographic composition and the collapse of the youth labor market may have contributed to this, Australia's coordinated approach to public policies for education and training almost certainly had an important impact. An important question to ask is *which* policies contributed most significantly to the increased participation rates. How important was the new Australian Traineeship System, which extended opportunities for combining employment and classroom learning beyond the traditional apprenticeship system? To what extent was the increase in high school completion rates dependent on increased flexibility and curriculum reform, how much was it influenced by changes in income support arrangements, and to what extent might it have happened anyway?

6. "School Leavers" are students who exit school at the end of year 10, 11, or 12 and do not continue in full-time education (i.e., they do not enter full-time TAFE or University courses).

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Before addressing these specific questions, this paper will review the approach to youth policy pursued by the conservative (Liberal Party) government that preceded the Hawke Labor government. The purpose of this is to show that between 1975 and 1983, Australia had already experienced policies which placed little emphasis on the reform of mainstream education and training, instead favoring employment-based solutions and macroeconomic adjustments. In moving forward from there, we will see how Hawke's analysts and advisers, attentive to advice from overseas, started to reconceptualize the key objectives of Australian youth policy. The final chapter describes Australia's current programs, analyzes their strengths and weaknesses, and suggests a number of ways in which these developments might inform the current youth policy debate in the United States.

2.1 Monetarism and the macroeconomic approach (1975–83)

When Malcolm Fraser became Prime Minister of Australia in 1975, the economy was in serious trouble. Inflation was soaring, unemployment was rising, and the previous Labor government's attempts to solve this problem by spending more on job creation and social programs had evidently failed. Fraser's government enthusiastically embraced monetarist doctrine, with its central emphasis on macroeconomic strategies. His advisers believed that inflation was the number one problem, and that unemployment could only be attacked once this problem was solved. In keeping with his monetarist views, Fraser assumed that responsible economic management would turn the economy around, that restored business confidence would once again establish acceptable levels of employment, and that youth unemployment would vanish (Hughes, 1980). But this was not to be so. Before the end of Fraser's first term in office, escalating youth unemployment would place youth policy firmly on the political agenda.

Fraser's first task, however, was to eliminate what he described as "the big spending programs of the former socialist government." Overall expenditure on labor market programs was dramatically cut, and did not return to 1975 levels until the very end of his period in office (Kirby, 1985, p. 64). Associated with these cuts was a change in policy emphasis, in that the new programs introduced by the Liberal government aimed to provide subsidies for private sector employers who were prepared to provide jobs to young people who had been unemployed for a number of months. The guidelines for the Special Youth Employment and Training Program (SYETP), for example, stipulated that employers were expected to provide training, and that the subsidies were only to be used to create "additional" jobs, and not for the substitution of unsubsidized employees by subsidized ones. But these conditions were difficult to police. Labor Party analysts argued that subsidy schemes represented windfall profits for the private sector, and made little difference to overall youth employment.

During the post-war years, Australia enjoyed a "long boom" which virtually guaranteed full employment (Catley & McFarlane, 1981). From 1945 to 1971, the unemployment rate had not risen above 2 percent

(Norton & Kennedy, 1985). But with the oil price shocks of the early 1970s, unemployment in Australia increased sharply (ABS, 1986). Ironically, the end of Australia's "long boom" of economic prosperity coincided with the election in 1972 of the Whitlam Labor government, which was determined to introduce an extensive and costly program of social reforms. Inflation soared, and unemployment rose to 4 percent, contributing to the demise of the Whitlam government in 1975. By 1978 the adult unemployment rate was over 6 percent, and it continued to rise during the second half of the 1970s. Among young men unemployment reached a seasonal peak of 17 percent in 1978, while among young women it reached an alarming 20 percent. Throughout this period, the Fraser government froze the level of unemployment benefits for 16- and 17-year-olds, so that the actual value of the benefit halved between 1974 and 1978 (BLMR, 1983, p. 29).

The caricature conjured up by Fraser — that of young people so lavishly provided with unemployment benefits that they choose to take extended holidays on the beaches rather than seeking work — became more and more difficult to sustain. Toward the end of the 1970s, welfare organizations, youth advocacy groups and academics started to call on the government to seriously examine what was happening to Australia's youth. Fred Gruen, head of the Center for Economic Policy Research at the Australian National University, provides a thoughtful summary of what was often an impassioned debate:

The implication on the right is that if the unemployed smartened themselves up and tried harder they could get jobs. While this is true in individual cases, it is probably not true of the unemployed as a whole. The 18 percent or so of the 15- to 19-year-olds unable to find work at the present time are not suddenly less able or less motivated than their predecessors were ten years ago; predominantly it is economic conditions which have changed, not people. (Gruen, 1981, p. 8)

Fraser had attempted to justify his inaction by constantly referring to young people as "dole bludgers" who could find work if they wanted it. But increasingly informed analysts and welfare advocacy groups were demanding that something had to be done. In 1978, the government responded to this pressure and the Office of Youth Affairs was created as a division of the newly formed Department of Employment and Youth Affairs. Within a year, a range of educational and community support programs for young people — including the Community Youth Support Scheme (CYSS), the Volunteer Youth Program (VYP), and the School to Work Transition Program (SWTP) — were introduced. These were grouped together with the pre-existing SYETP program as a "commitment to youth," and new allowances such as the transition allowance and the pre-apprenticeship allowance were introduced to help young people cover the costs of acquiring vocationally relevant training.

By 1980-81, Fraser's overall spending on labor market programs was substantial. In constant dollar terms, it was equivalent to the levels achieved in 1975, at the end of the Whitlam era (Kirby, 1985, p. 64). In the 1978-82 period, the government's youth programs could be characterized

in terms of three broad purposes: wage subsidies (SYETP), skills training (SWTP and the training allowances), and measures to address the social disadvantages faced by unemployed young people (CYSS and VYP). The latter two programs were highly decentralized, involving the distribution of small federal grants to community groups which organized socially supportive activities and voluntary work for the young unemployed. None of these programs involved direct public sector job creation.

Lessons from Britain and Australia

In the early 1980s, Australia suffered the delayed effects of the second (1979) oil shock, and unemployment leaped dramatically. Between 1981 and 1983, the mean annual level of youth unemployment jumped by nearly two thirds, from 10.8 to 17.9 percent, and overall full-time employment for teenagers plunged 20 percent. The seasonal peak for 1983 showed that in March of that year 29 percent of teenage school leavers seeking work could not find it (ABS, 1983). School to work transition programs and employer subsidies were inadequate in the face of these new levels of unemployment, and at the end of 1982 the Liberals abandoned their earlier position and returned to job creation programs. The consequences of strict adherence to monetarism had simply become politically unacceptable.

Despite the adverse economic conditions of the early 1980s, Malcolm Fraser called a federal election in February 1983. Rumor had it that Labor was about to bring about a change of leadership, replacing Bill Hayden by Bob Hawke, and Fraser hoped to catch the party in disarray. But his calculations backfired; in an extraordinary display of party discipline, Hawke assumed leadership and swept the party to victory in March 1983.

2.2 Labor and the Reconstruction of Youth Policy (1983–1990)

Youth policy adopted a different complexion under the new Labor Government. Whereas under Fraser it had been treated as a subset of employment policy, Hawke's Labor Government emphasized the importance of education and training, and argued that a solution to the youth problem demanded coordinated action through several avenues of policy — particularly increased education participation, structured training, and revised income support measures. Under Fraser, labor market programs such as SYETP, SWTP, and CYSS had been the central instruments of youth policy. Under Hawke, many of these programs were abolished and the emphasis shifted decisively toward mainstream education and training activities.

The education and youth policy statements distributed by the Australian Labor Party (ALP) during the 1983 election campaign proposed a fresh approach. Instead of adding more programs to the confusing jungle of short-term training and job subsidy schemes, Labor would focus on reforming the public high schools to reduce the dropout rate, expanding the higher education sector, and creating a new traineeship system parallel to the existing apprenticeship system. This emphasis on skill formation was based on the fact that employment in the professional, technical and managerial occupations in Australia was growing strongly, while the

market for unskilled laborers and production workers in clothing, footwear, textiles and transport equipment had virtually collapsed (ILO, 1986-87).

In the early 1980s, only one third of Australia's young people were completing the final year of high school, and ALP analysts believed that the exclusive concentration of most schools on the needs of those bound for higher education should not continue. High school completion should prepare young people for high-skill careers and for entry to post-secondary vocational training as well as for university studies. In relation to the the proposed new traineeship system, the ALP stated that a key objective of its youth policy would be to identify new training opportunities for young people in occupations where little or no organized training existed.

Time would show that the Hawke government would not be a big spending government, but it would be prepared to dramatically restructure public sector programs and at the same time, demand more of the private sector. The Liberals believed that economic development depended on winding back the public sector to give the private sector a chance to grow. In contrast, Labor was committed to consensus government, and believed that national economic recovery could only be achieved through extensive cooperation between the public and private sectors.

The monetarists and small government advocates whose ideology had ruled the thinking of the Liberal Party between 1975 and 1983 claimed that Australia was over-governed and overtaxed, and that the growth of government and government regulation was a drag on economic growth, with high taxes reducing personal incentives. The Liberals believed that full employment would only return if the confidence of the business sector was restored, and they consequently reduced taxes and cut public spending wherever possible, in order to improve incentives for private sector activity (Wilenski, 1983, p. 23).

Researchers and analysts associated with or sympathetic to the Labor Party responded at the time by arguing that the "small government" position ignores the very considerable contribution governments make to economic growth. These contributions come in the form of provision of infrastructure, through direct investment in industry, and through the government's role in fostering research and development. John Hyde — a spokesman for the New Right — noted that Australia had slipped during the 1970s from the ninth to the sixteenth wealthiest nation in the OECD group, and he attributed this decline to "the weight of government regulation, manipulation and preservation of established interests" (Hyde, 1982, pp. 21–22). In response to this claim, Peter Wilenski, at that stage an academic and a Labor Party advisor, retorted that "there is much truth in this statement as far as it goes but it could well be that what was required was not less government intervention but a different form of intervention to promote rather than restrict structural change" (Wilenski, 1983, p. 14).

Labor in office would demonstrate that it saw government intervention as an important component of economic recovery.

Lessons from Britain and Australia

While acknowledging that the private sector is the major part of the productive system and provides most of the jobs, Labor believed that the structural problems now facing Australia could not be dealt with by business and industry alone. In its "Recovery and Reconstruction Plan," prepared while it was still in opposition, the ALP expressed its concern that the technological base of Australian industry had barely changed since the 1950s, while their competitors had undergone a revolution. Australia urgently needed to develop high technology industries, the plan argued, to compensate for the long term decline in employment in our traditional manufacturing industries. Attentive to warnings already being articulated by the OECD, Labor's plan argued that there would be no long-term solutions to the problems of unemployment without major economic restructuring and increases in the overall skill level of the workforce.

2.3 New Policies For the Young

In the early 1980s, the OECD warned that the relationship between education and employment was changing in fundamental ways, due to changes in both the internal and international economic order in most member countries. For example, in its report *New Policies for the Young*, the OECD expressed its concern that mainstream education and training institutions may be failing to prepare young people adequately for life and work in the late twentieth century. In most countries, the changes occurring in the economic order were due to three factors: ongoing technological change, structural change — especially the rapid growth of the service sector, and the displacement of low-skill labor to the newly industrializing countries. The report states:

These changes are probably permanent, and will affect the occupational structure of the labor market and the nature of new jobs and, in turn, affect the kind of educational and technical preparation required for these jobs. (OECD, 1985, p. 10)

The ALP's education and youth policy statements echoed these warnings and argued for a new approach. Labor promised to restructure and phase out costly and ineffective employer subsidy schemes. It emphasized the need to train young Australians for jobs with a future. Subsidizing the employment of early school leavers in low-skilled work was neither in the interests of the young person nor of the nation. In the long-term, what would be needed were higher levels of youth participation in mainstream education and training.

During the 1980s most OECD member countries were recording an increase in the proportion of young people completing their final years of secondary schooling. In *New Policies for the Young*, the OECD applauded these developments, arguing that they are entirely appropriate given the changes evident in the social and economic context. But in Australia, the education participation rates of young people were declining. Ironically,

as youth unemployment rose between 1975 and 1983, increasing numbers of teenagers left school early to look for work.

In 1975, among 17-year-old males, 31.4 percent were at school; by 1982, this figure had declined to 27.9 percent. A possible explanation is that young males feared that recruitment opportunities were drying up and that it would become even harder to gain entry to firms' internal labor markets as the recession progressed. This would help to explain why young men left school early, while young women, who are typically excluded from apprenticeships[7] and other forms of firm-based training, remained at school to to complete qualifications which were recognized by employers in administrative and clerical occupations. In fact, female participation rates showed a steady increase over this period.

The net result, however, was a small but significant decline in 15- to 19-year-old education participation. Over the same period, higher education participation fell from 15.5 to 13.4 percent of 19-year-olds, and from 14.1 to 12.8 percent of 20- year-olds (DEET, 1987). For Labor, these figures symbolized the failure of Fraser's era (Ryan, 1984; Vickers, 1983). What young people needed were solid qualifications for good jobs; what the nation needed was a highly skilled workforce. Instead, increasing numbers of young people had left school prematurely in a scramble for jobs that did not exist, swelling the ranks of the unemployed.

Labor was determined to reverse this trend, but at the beginning of Hawke's first term in office youth policy was still strongly connected with the problems of unemployment. Many youth lobby and advocacy groups — such as the Youth Affairs Council of Australia — expected and looked forward to a more generous approach to public sector job creation than they had experienced under Fraser (AGPS, 1983). Hawke initially complied with those advocating job creation by providing temporary employment for the long-term unemployed through the Community Employment Program (CEP) into which he injected A$516 million of federal funds. But at the same time, the government emphasized that its key objective for young people would be achieved through expanded education opportunities (Ryan, 1984). By 1987-88 the CEP had been phased out as the government continued to shift its resources towards education and training programs (Dawkins & Holding, 1987, p. 92).

On gaining office, the Hawke Government removed the Office of Youth Affairs from the Department of Employment and created the new Department of Education and Youth Affairs (DEYA). This was more than an administrative move: It symbolized the beginnings of a deliberate reconstruction of the concept of youth policy. In 1983/84, the government committed A$145 million to the new Participation and Equity Program (PEP) whose objective was to "achieve a situation whereby at the end of this decade most young people complete the equivalent of a full secondary education, either in school or in a Technical and Further Education (TAFE) college or in some combination of work and education" (DEYA, 1983, p. 1). In addition, the government offered an additional 15,000 places at universities and colleges of advanced education during its first triennium.

7. Traditionally, the gender imbalance in Australian apprenticeship recruitment is extreme. In the mid-1970s about 92 percent of apprentices were males and only 8 percent were females; these were mostly in hairdressing.

2.4 Comprehensiveness and Coordination

It would be simplistic to suggest that Australian youth policy, which had in the past been defined as a subset of employment policy, was now simply being redefined as education policy. For the Labor government's proposals introduced a new emphasis on comprehensiveness and coordination — on the interrelationships between education policy, income support, and labor market policy. What Hawke did was to capitalize on the considerable influence the federal government could exercise in each of these areas, while at the same time aligning the operational activities of each area behind a common set of policy objectives.

For some time, advocates of the "comprehensive" approach in Australia had been urging the various government departments and agencies involved to recognize the need to coordinate their activities and ensure that their programs supported commonly agreed objectives (see, for example, Abrahart, 1984; Wright & Headlam, 1976). These authors drew attention to the enormous number of different government and community agencies developing policies and delivering programs in the youth field. At one level, young people had to battle their way through a confusing collection of separate regulations and providers to gain their entitlements. There were, for example, 26 different forms of income support that 15- to 24-year-olds might be eligible to claim, and over 15 different labor market programs they might be able to enter. At another level, the prevailing attitudes of bureaucratic competition between departments of education and departments of labor meant that it was very difficult, at either state or federal levels, to achieve any agreement on the objectives for youth policy. As a result, young people received conflicting messages from different government and community agencies. On the one hand, they were told that it was wise to continue with academic studies, while on the other, existing income support arrangements provided incentives to leave school and seek employment or to transfer into vocational training courses.

With the appointment of Peter Wilenski as director of the new Department of Education and Youth Affairs, the comprehensive approach — one that would involve a greater level of coordination of education, income support and labor market policies — received decisive approval. Wilenski proposed a proactive policy framework which would aim to keep young people in mainstream education, rather than picking them up after they had left. Working at the OECD in 1982, he outlined a plan for a universal youth allowance which could be made available to support all young people in job search or in education and training activities:

This proposal would have a clear bias towards keeping young people out of the full-time workforce and retaining or returning them into some form of training or education. This would seem to be consistent with societal concerns though at the same time it would require a considerable effort to improve the post-compulsory education system. (Wilenski, 1982, p. 31)

He suggested that the scheme could be financed largely by abolition of the existing range of piecemeal financial arrangements directed at subsidies to employers, student scholarships, transitional and labor market schemes, unemployment and welfare benefits, allowances to parents of dependent children over 16-years old, and so on.

There is a need to be far more realistic, his paper argued, about what labor market schemes can achieve. Much of the disillusionment around these schemes results from the mistaken belief that they could have a major impact on unemployment, or that they could counteract the effects of inadequate education and training. However, he suggested, it may be appropriate to "pursue clear and limited objectives through the [combined] training and employment approach that has been set out in so many OECD documents" (1982, p. 23).

Shortly after his appointment as head of the Department of Education and Youth Affairs in April 1983, Wilenski invited a team of OECD experts to conduct a comprehensive review of policies affecting young people in Australia. At the same time he authorized the Office of Youth Affairs (OYA) to take responsibility for coordinating all Commonwealth activities for youth and invited welfare economist Meredith Edwards to review income support arrangements for young people (ISYP). The purpose of this review was to rationalize the plethora of piecemeal allowances and financial payments made to or on behalf of young people and to produce a comprehensive youth allowance, which would provide stronger incentives for education participation.

In December 1983, the Minister for Employment and Industrial Relations appointed a committee of inquiry into Labor Market Programs, and asked Peter Kirby — a state labor department director and former senior officer of the federal employment department — to act as Chair. The Committee was asked to recommend improvements to Commonwealth labor market programs and to identify ways of achieving greater coordination between those programs and the education and training system.
During 1984, three processes were in full swing — the OECD review team, the Kirby Committee, and the ISYP working group chaired by Meredith Edwards. By the end of the year, preliminary reports were available from all three groups. As one policy analyst from the OYA noted, the youth policy issues identified by all these groups were highly interconnected. "Changes in one area may have consequences in another area, and hence a piecemeal approach to youth policy making in the education, training, and employment spheres would be undesirable. A comprehensive approach seems essential" (King, 1984, p. 11).

Consistent with the objective of increasing participation in education and training, the ISYP discussion paper proposed that revised income support measures should "reflect and support the broader objectives and programs for young people including particular attention to the needs of disadvantaged groups — it should provide incentives for young people to participate in a comprehensive range of improved opportunities in

education, training, and employment" (OYA/SWPS, 1984, p 13). By the end of 1985, the work of the ISYP committee had in fact largely eliminated the piecemeal financial arrangements associated with different labor market programs, student scholarships, allowances to parents of dependent children over 16 years old, and so on, and had replaced them by a rationalized system of benefits which gave much stronger support to the objective of increasing education participation.

Lessons from Britain and Australia

The interim report of the Kirby Committee also emphasized the need for government programs to support common objectives for young people. Kirby criticized labor market programs for being inadequately related to education, and condemned the lack of structured training in these programs:

However, the interim report was also critical of education programs and noted that, "Somehow there appears to have developed an unnatural dichotomy between education programs and labor market programs, and between education/training and employment" (1985, p. 4).

The report therefore recommended that links between education programs and labor market programs should be considerably strengthened and that to do this a new system of traineeships that combined work experience with further education should be developed.

Early in 1985 when the OECD produced its final report, the consistency of its findings with those of Kirby and the ISYP committee was evident. While there is a short-term problem of high unemployment among Australian young people, the OECD said, there is a long-term problem as well. Low levels of educational attainment and occupational skills and unequal access to education and training opportunities will in the long run mean that Australia will lack the skill and educational requirements the economy needs to compete in world markets. The OECD review team stated that:

The highest priority for the Australian youth agenda should be to raise educational attainment, increase broad-based occupational skills, and assure that education and training opportunities are accessible without regard to sex or socioeconomic status. (OECD, 1986, p. 80)

The team argued for broad-based reforms to secondary schooling and argued that upper secondary education should do more than simply prepare young people for higher education. It should be geared also to young people going on to technical training, apprenticeships, and immediate employment as well. This would require a broader curriculum and a more flexible approach to assessment, an approach not dictated by the assessment and entry requirements of higher education.

At the time that the OECD conducted its review, all Australian 16- to 18-year-olds who were seeking work but unable to find it were entitled to an automatic junior unemployment benefit. The OECD was critical of this policy and argued that income support benefits should be paid to reward

activities that benefit young people and society most, namely education and training. They argued that income support benefits, including the unemployment benefit, should be income-tested on family income. Furthermore, the OECD suggested that eligibility for junior unemployment benefits should be restricted. The benefits should not be paid indefinitely to young people who cannot find work because they lack education or vocational skills. The OECD proposed that for such young people, continued eligibility for income support should depend on enrollment in education or training, or participation in community service schemes.

In relation to the employment prospects of young people, the OECD stressed the importance of overall improvement in macroeconomic policies that will raise employment levels for all age groups. But at the same time, it warned that improved economic conditions would not automatically benefit youth, since young people without adequate skills are increasingly likely to be employed in marginal and part time positions. In the last resort, some subsidized employment may be needed for those most disadvantaged in the labor market, but this employment should provide as much training as possible (OECD, 1986, pp. 80–85).

Although the government did not immediately act on all of the OECD's recommendations, the broad framework that it outlined was fully accepted. Whereas during the Whitlam years it had been seen as the government's responsibility either to provide jobs or to provide unemployment benefits to young people who could not find work, the OECD's analysis suggested that junior unemployment benefits may be providing a disincentive for young people to continue in education. The OECD also suggested that the provision of subsidized employment opportunities to early school leavers may, in fact, be stigmatizing and damaging to their long-term employment prospects.
Over the next three years, the three major federal departments concerned — the Department of Education and Youth Affairs, the Department of Employment and Industrial Relations, and the Department of Social Security — progressively reshaped their programs for young people to achieve the commonly agreed upon objective of higher rates of participation in schools, vocational colleges, integrated employment and training activities, and higher education.

In 1987, the connections between labor market and education programs were further strengthened by the amalgamation of the federal education and employment departments into the mega-department of Employment, Education and Training. During the period between 1985 and 1988, the government implemented many of the recommendations of the Kirby, ISYP and OECD Reports. It directed its energies toward increasing educational participation, reforming youth income support, and developing the traineeship system. With its sights clearly set on providing structured education and training for youth, the SYETP was abolished and replaced by an employer subsidy program (Job Start) that gave priority to long-term unemployed over 21 years of age. A new community-based

training program — Skill Share — took over from CYSS and VYP the role of providing support for disadvantaged young people. With the phasing out of the CEP in 1987, job creation became a thing of the past.

To summarize, between 1983 and 1987, the government virtually eliminated its employment-based programs for young people and in their place created a number of programs whose major emphasis was education and training. Access to employer subsidy schemes is now very restricted. Disadvantaged young people who are long-term job seekers may take advantage of the adult employer subsidy scheme (Job Start) under special conditions and then only if they have completed at least year 10 at high school.

2.5 Staying on: Reforms to curriculum and assessment

The strategy of abandoning employment-based programs probably only worked because young people remained at school in such large numbers. Within the last decade, staying on at school to complete year 12 (or grade 12, as it is would be known in the USA) has changed from being what "a minority of the kids do" to being something that "most kids do." New norms have been established for Australian teenagers, and these norms carry their own momentum. How did this come about? No single factor provides a sufficient explanation. Part of the story is that the federal government substantially cut back the provision of subsidized employment, and increased the financial incentives associated with staying on at school. An equally important part of the story tells how the state education systems and examination boards diversified the range of curriculum offerings for the final years of high school, making high school completion relevant to those headed for the workplace as well as those interested in higher education.

Custom in US high schools dictates that completion of the senior year is tantamount to graduation. In contrast, long-standing traditions dictate that Australian students do not "graduate" from high school unless they pass external state-wide examinations in no less than four final year (grade 12) subjects. Selection for university entrance was the traditional function of these examinations, and their successful completion led to the award of the Higher School Certificate[8] (HSC). During the 1970s, many of those staying on were more interested in good jobs than university entrance, and they wanted to achieve HSC qualifications without submitting to rigorous end-of-year exams in a narrow range of academic subjects. Their interests were supported by some educators who saw the traditional examination-based certificates as "narrow, exclusive and discriminatory" (Freeman & Anwyl, 1987).

In an attempt to cater to those who were not university-bound, high schools started to introduce courses that were internally developed and assessed. In some cases, these courses were recognized by the state education departments, but their status suffered because they were not assessed by the independent "external" examination boards.[9] Australia's state education authorities had a serious decision to make. Should they

8. The certificate has different titles in different states, for example, in Queensland it is the Senior certificate, in South Australia the Year 12 Certificate of Achievement, in Western Australia the Certificate of Secondary Education, and in Victoria it is known as the Victorian Certificate of Education (VCE).

9. Membership of these boards traditionally included university faculty and employer representatives. In most cases, however, the subject area committees that set the exams were dominated by university specialists, so the exams served the purpose of selection to higher education. About 26 percent of Australian students attend private schools. The examinations conducted by the boards are used by both public and private schools. If the system had broken down into a two-tier structure, increasing numbers of public school students would have done "internal" subjects, while the private schools would almost certainly have focussed their energies on the more prestigious externally examined courses. The danger was that the status of the HSC programs offered by the public schools would be eroded.

move towards a system in which those who were college-bound would sit for external exams, while those who were bound for the workplace were assessed by their high schools?

There were two dangers inherent in this route. First, it would make it even more difficult to establish community respect for the new vocational and general year 12 courses that were being developed. While students taking courses assessed within the schools may have gained relevant skills, their HSC qualifications would carry little weight with employers. Second, it would run counter to the efforts being made by most States to get rid of the tracking systems that separated students into vocational classes (or even separate Technical Schools) leading to workforce entry rather than academic preparation. Australian educators were aware that the (often irreversible) tracking decision was made on the basis of a child's performance at 12 or 13 years of age.[10] Late developers who were misclassified rarely had a second chance. Looking to the example of the United States, it was also evident that the disparity between the tracks might increase rather than decrease as final year enrollments grew and the curriculum diversified.

To avoid the inequities of such a two-tier system, the state examination boards began to formalize the best of the new courses that had been developed at school level — courses in information technology and technological design and development, as well as courses in dance, media and theater studies that had not been a part of the old HSC. They progressively increased the range of recognized courses and instituted formal assessments for them (see, for example, VCAB, 1990). Students headed for the workplace or for TAFE colleges now complete a number of subjects in common with those who are university-bound, but are entitled to make up the remainder of their program by selecting among the new courses.[11] In reviewing these activities in 1989, a House of Representatives Standing Committee report argued that examination board approval of these courses is an important way of "demonstrating to the community that these courses are educationally sound and represent a valid and educationally demanding alternative to tertiary entrance courses" (AGPS, 1989, p. 83)

The Standing Committee found that during the 1980s, all state education systems diversified the range of courses taught at year 11 and 12 levels. The final two years of high school are no longer the exclusive domain of those proceeding to higher education — in fact, only 40 percent of year 12 students proceed directly to university, while a further 20 percent enter TAFE institutions, although most of these study part-time (AGPS, 1989). The report also found that government-initiated publicity campaigns had encouraged many parents — particularly those who are themselves poorly educated — to recognize the value of high school completion for their children, regardless of whether they are intending to study or work. Through various avenues, young people and their families have been getting the message that good jobs are hard to find if you haven't completed high school.

10. In states where academic high schools are separate from technical high schools, students choose alternative pathways at the end of the elementary school years.

11. There are certain differences between the reforms implemented in each of Australia's six states. A common pattern for the 'new HSC' prescribes that all students should successfully complete a given number of units from each 'group' of subjects. Thus, for example, a student intending to enter university to study humanities may do math units in common with students who are not university-bound, but do history units specifically designed to develop academic skills. The topic has been treated superficially here; a separate monograph would be required to provide an adequate account of these reforms.

2.6 Income Support for Young People

What the government said in its publicity campaigns was backed up by reforms to youth income support and labor market programs, and at the state level, through the diversification of recognized courses and HSC credentials. In 1987, student financial assistance was sharply increased and rationalized into an age-related system known as AUSTUDY. Before this, student assistance payments had depended partly on age, and partly on the type of education institution attended. Low income families with 16- to 18-year-olds at high school could receive A$25-30 per week under the Secondary Allowances Scheme (SAS), students the same age attending full-time TAFE were eligible for A$40 under the Tertiary Education Assistance Scheme (TEAS); at age 18, payments under TEAS increased, but they were still well below what a young person could obtain from the unemployment benefit system.

Essentially, young people were better off collecting unemployment benefits, both because the rates of pay were better, and because this benefit was always paid to the young person, not to his or her family. When AUSTUDY was introduced, it almost doubled the amount payable to a high school student; unlike SAS, AUSTUDY is paid to the individual students themselves. SAS imposed a stringent family income test; under AUSTUDY, this test has been liberalized, so that a larger proportion of secondary students and their families benefit from the new scheme. AUSTUDY payments are indexed and age related; the maximum payable to a 16-year-old from a low-income family in 1989 was about A$57 per week, which is small but not trivial, given that the 1989 youth minimum wage was just over A$100 per week (DEET, 1989).

Shortly after the introduction of AUSTUDY, the system of unemployment benefits for 16- to 18-year-olds was replaced by a Job Search Allowance (JSA). Whereas all young people aged 16 and over had previously been automatically entitled to unemployment benefits, eligibility for JSA was restricted. School drop-outs from middle and high-income families no longer gained cash benefits from leaving school. These dollars were re-allocated to provide an AUSTUDY allowance for low-income students who wanted to stay on. From January 1988, the rates of payment under AUSTUDY and JSA were aligned, and both were subjected to the same family income test. Students from low-income families are eligible for JSA, but they are also entitled to an AUSTUDY payment of equal value so that they cannot be worse off by remaining at school. In fact, if they leave, they must wait six weeks before becoming eligible to receive the Job Search Allowance.

Research of the influence of AUSTUDY on students' decision to remain at school shows that for the majority, student allowances are not a *major* reason to remain at school. Nevertheless, a recent study found that 30 percent of all students said AUSTUDY would have *some* effect on their decision; 17 percent of those who were undecided about staying on changed their minds and remained at school because of AUSTUDY, and 10 percent of those who would have left remained at school because of the income support available (Braithwaite, 1989).

2.7 Reforming Labor Market Programs

As mentioned earlier in this paper, the government also committed itself to reforming its labor market policies. Kirby's (1985) inquiry into Australian labor market programs found that young people who came to the Commonwealth Employment Service often did not understand what kind of job search and training assistance was available, since the guidelines for the operation of labor market programs were complicated and not well understood. Apart from programs connected with the apprenticeship system, the inquiry identified five other education and skills training programs and twelve separate job creation and employer subsidy schemes. In addition to this, there were four separate forms of community support for disadvantaged young people. The policies for each program had developed largely in isolation, which resulted in anomalies in levels of assistance between programs and confusion due to overlapping program parameters and provisions.

Kirby was especially critical of the dichotomy between education-based and employment-based programs and argued that the government should create programs which would train young people and qualify them for skilled work or reentry to the education system. Whereas in the past, young people could shop around among almost two dozen poorly interrelated programs, now there are basically four. Skills Share has taken over from a wide range of programs that provided community support for disadvantaged young people. Jobs Start offers employer subsidies for disadvantaged young people who have difficulty finding jobs, but it is available under restricted conditions only. Young people receiving the Job Search Allowance because they are looking for work are required to enroll with the Job Search Training Program, but if they have not found work after six months, they are referred on to an education or labor market program. Since Australia's youth income support system is a uniform one, young people returning to education or training receive an AUSTUDY allowance exactly equivalent to the amount they received under JSA. Finally, the Australian Traineeship System, which was created as a result of the Kirby report, combines on-the-job work experience with formal off-the-job training, replacing earlier programs that were criticized for providing either work experience or skill formation, but failing to interrelate the two.

Under the ATS, arrangements are negotiated between employers, unions and training providers to establish programs in areas where there are no existing traditional apprenticeships. Over 400 industrial agreements have now been negotiated, with a generic clerical package available to a broad spectrum of industry. Despite the wide range of the industrial agreements that have been negotiated, most trainees are concentrated in the clerical and retail sales sectors. As we shall see later in relation to YTS, a bias towards these sectors seems unavoidable in an employer-driven system. Three quarters of all trainees either work as office clerks in the private sector (37.6 percent) or for the public sector (20 percent) or in retail sales (18.8 percent). The other one quarter are distributed across agriculture, manufacturing, hospitality and finance (DEET, 1990).

Lessons from Britain and Australia

Any Australian 16- to 18-year-old who has left school is eligible to participate in traineeships, but those who have left school without completing year 12 are given preference. Employers are paid A$1,000 during a calendar year to help offset the costs of providing on-the-job training. Trainees are required to attend 13 weeks of course work at a Technical and Further Education College. The training is distributed throughout the year and at the end of the year trainees receive a certificate from the relevant State Training Authority, which attests to the training undertaken and the skills acquired. The trainee's wage is set in relation to junior rates for the relevant occupation, but cannot be less than the national youth minimum,[12] which was A$99.30 per week in 1987 (DEET, 1989).

How successful is the Australian traineeship system? First, it seems that it has provided worthwhile training, but only in a narrow range of occupations. A national evaluation of the ATS showed that 72 percent of employers thought their investment in a trainee was worthwhile, and 87 percent intended to permanently appoint trainees who completed their certificate. However, ATS has grown much more slowly than expected with only 13,000 placements being offered per annum in 1988, 1989 and 1990. This may be due to a number of factors. First, both state and federal governments gave a higher priority to increasing high school completion rates than to developing ATS. Second, in contrast with Britain's YTS, which grew very rapidly, ATS imposed stricter quality controls on off-the-job training, insisting in almost all cases that it be provided by a TAFE institution.

Another problem for ATS is that it has become difficult to keep the program focused on its target group. Originally, it was planned to serve 16- to 18-year-olds who had not completed year 12. In 1989-90, however, over 40 percent of commencing trainees were 18 or older, and the proportion who had completed high school was 39 percent (DEET, 1990). Both of these proportions seem to be steadily increasing as high school completion rates increase in the population as a whole. The ATS had been developed to provide an alternative for those who did not complete high school, but is now being reshaped because the new levels of high school completion have usurped its initial function.

2.8 Summary: Key policy strategies

While increases in Australian high school completion rates cannot be attributed to any single factor, they can appropriately be attributed to a combination of contextual factors and the coordinated nature of the various policy reforms. The collapse of the full-time youth labor market and the growth of part-time employment means that for many young people, a job is a complement to rather than a substitute for full-time schooling. The creation of the Australian Traineeship System (which pays more than AUSTUDY) might have attracted students away from school and represented a disincentive for completion. But its low status in comparison with the year 12 certificate could not be disguised. On balance, it seems that students were prepared to sacrifice immediate monetary gains in favor of a more valuable credential for the future.

12. Australia has a complex system of wage regulations, in which "awards" specify the minimum salaries and seniority increments that must be paid in each occupational category. The national minimum sets a floor level that is below most of these awards.

The activities of Australia's state and federal governments during the 1980s may be summarized in terms of three key policy strategies. First, curriculum diversification removed many of the barriers to entry that had existed when the final two years of high school had been the exclusive domain of students bound for higher education. This diversification was comprehensive in that it was achieved without creating separate vocational tracks within the high schools. An important aspect of this comprehensiveness is the insistence that the new courses of study should be assessed by the same State Boards that traditionally controlled the gateway to university entrance.

Second, a commitment was made to sustaining the apprenticeship system, which provides a recognized pathway into the skilled trades for over one in ten of Australia's young people. Subsidized employment and job creation schemes were cut back or abolished — most of these had provided very little structured training. In their place, the government created the Australian Traineeship System, which includes formal courses either provided by approved employers or through the TAFE colleges. Employers play an important role in the Australian education and training system, but it is a highly regulated one. Occupation-specific guidelines exist for both the apprenticeship system and the ATS. These specify the nature of the work experience and the courses trainees and apprentices are expected to complete in order to gain their qualifications.

Finally, the approach taken was a coordinated one. A wide range of federal government programs, many of them administered by different departments, were dismantled or re-structured in the single-minded pursuit of higher levels of participation in education and training. This coordinated approach to ET policy, underpined by a rational system of income support, sends a single and clear message to young people: that they need qualifications to ensure future career success, and that leaving school early to seek work experience in the low-skill labor market is a false investment.

3. Britain's Mixed Model of Education and Training

Lessons from Britain and Australia

3. Britain's Mixed Model of Education and Training

Until the end of the 1970s it was considered normal for just over half of Britain's 16-year-olds to leave school for work at the end of the compulsory years.[13] Australia during the 1970s had just over half of its 16-year-olds at school and (in comparison with Britain) fewer were in the workforce at this age, but the overall pattern was not markedly different. In both countries, however, this pattern changed dramatically during the early 1980s. About 5 percent of Britain's 16-year-olds were unemployed in 1980; just two years later, the youth unemployment rate had risen to 12 percent. At the same time, the proportion of the cohort in full-time employment dropped dramatically from 48 to 28 percent. Both countries faced an imperative need to raise the levels of youth participation in the education and training systems. Under a Labor administration, Australia achieved this largely through reform of mainstream education provision leading to a massive increase in high school completion rates. Britain followed a different route.

3.1 Monetarism and Macroeconomics Revisited

When Thatcher gained office in 1979, her government adopted a low key, piecemeal approach to youth employment and training policy. This was consistent with the 1979 Tory party Manifesto, which made little mention of training provision and asserted that monetarist economics would revive all aspects of the economy and in the long run solve the youth unemployment problem as well. This ideological shift towards neo-conservatism (which dominated Australian politics between 1975 and 1982) emerged almost simultaneously in Britain and the United States under Thatcher and Reagan. This ideology stressed a greater reliance on market forces to revitalize the national economy, leading to privatization and deregulation. At the same time, balanced budget macroeconomic policies meant that public expenditures were cut back and attempts were made to transfer training costs to the private sector. Both these factors led to a greater emphasis on the employers' role in education and training provision.

In keeping with this neo-conservative ideology, Thatcher at first believed that appropriate macro-economic policy measures such as reduced youth wages would solve the youth unemployment problem, and that substantial government investments in education and training would not be needed. Tight monetary policy and a reduction in trade union power were central to her goals of lowering wage levels and squeezing inflationary expectations (Mayhew, 1985). For example, as part of its emphasis on reducing the "rigidities" at the bottom end of the labor market, the government announced in its 1981 budget the introduction of the Young Workers Scheme (YWS), which offered wage subsidies to employers taking on young employees at particularly low wages (Marsden, Trinder & Wagner, 1986).

13. In Britain, school attendance is compulsory until age 16; in Australia, the legal school leaving age is 15, but only a small proportion leave at this age.

examinations. Whether they have passed or not, the traditional pattern in England is for most 16-year-olds to leave school and enter the labor market. Since YTS has no explicit educational prerequisites, many of these young people go directly into this scheme. Jones (1988) found that at least 15 percent of YTS entrants have no school qualifications at all, and that 31 percent of them have one "O-level" as their highest qualification.

Lessons from Britain and Australia

Despite recent increases in staying on rates, only about 50 percent of British 16-year-olds continue in full time education; about 30 percent stay on at school while the other 20 percent mostly enter Further Education institutions (Raffe & Rumberger, 1990). Britain's low education participation rates result from at least two factors. One is the perception that staying on at school is only worthwhile for the minority of talented students who intend to qualify for university entrance. This is especially the case in England, where only 25 percent of the age group attempts the exclusive "A-level" examinations. The other reason is that the traditional pathway to many well-paid careers in Britain is via a firm's internal labor market (ILM), and entry to the ILM is often restricted to those who have joined the firm by age 16 or 17. It is therefore customary for many young people — especially males — to leave school for work at the end of the compulsory years.[16]

The employment-based structure of YTS can be more easily understood in this context. It is essentially a system for facilitating transition from school to ILMs within firms. As Raffe (1988) argued, YTS can be seen as "going with the grain" of British industrial traditions. For a young worker who actually enters a firm in this way, the scheme is beneficial. But only a minority gain this benefit. The "additionality conditions" of the scheme mean that firms must employ more trainees than they need, and that several will be fired or "let go" at the end of each training year. On the basis of a Scottish survey of YTS trainees, Raffe (1988) found that five or six months after YTS, one third of trainees were still working full time with their YTS employer, one third had found a job elsewhere, and one third were unemployed.

Given the specific nature of most firm-based training (and the frequent lack of an externally recognized credential) the training year is rarely of value for those who are not invited to remain with their YTS employer. Compared with those who spent an equal period unemployed, Main & Shelley (1988) found that YTS trainees are only 20 percent more likely to find another job at the end of the training year. Trainees who find work in other firms at the end of the training period also gain few advantages from the scheme. Most of them reported that their new jobs used very few of the skills they had learned during the training period (Main & Shelley, 1988).

To summarize, the one third who are kept on and gain a place in the firm's internal labor market do benefit, although they are probably no better off than if they had been given direct entry to a permanent job in the first place. The one third who find replacement jobs in other firms often bring

16. Internal labor market training should be distinguished from apprenticeships, which lead to entry to occupational labor markets.

Lessons from Britain and Australia

few skills that are relevant to their new employment.[17] The remaining one third who who find themselves unemployed are only marginally more likely to find it those who had been unemployed for the duration. At both the individual and the aggregate level, therefore, YTS is a wasteful scheme. When a firm receives payments from the public purse to develop skills that other firms cannot use, the firm may be gaining short-term benefits at public expense, but little is being added to overall human capital formation in the long run. The recent development of the National Council for Vocational Qualifications (NCVQ) represents an attempt to establish credentials that will have a transferrable character, and may increase the portability of training under YT. But as discussed below, since the training continues to be employer controlled and the credentials are awarded by the same employers who provide the training, there is little reason to assume that the quality of YT training has been greatly improved.

The internal differentiation of YTS

The above account paints a bleak picture, glossing over the fact that the quality of training within YTS varied widely. To balance the record, it must be acknowledged that in certain occupational sectors and in certain firms, high quality training *was* delivered. This depended in part on whether that firm or occupation had training arrangements that pre-dated YTS. In areas such as engineering and construction with strong training traditions, high quality training was frequently provided, while in other occupational areas which lacked strong training arrangements prior to YTS, training content was often quite basic and there were few opportunities for skill development beyond the end of the YTS program.

Another form of internal differentiation separates firms that provide the off-the-job training component internally, from those that make contractual arrangements with Further Education (FE) colleges. When YTS 1 was first launched, the FE colleges believed they might be playing a major role in training delivery. As Lee et al. (1990, p. 23) put it, the FE colleges were the "acknowledged guardians of externally-credentialled vocational education, and YTS could have built its new training on this foundation." But a number of problems arose. First, the government expanded YTS at such a rate that it would have been difficult for FE colleges to supply the required number of places without seriously compromising training quality. Second, as YTS managing agents sought to cut costs, they cut back on their use of the Further Education colleges or went private altogether, doing their own internal training or using other private training agencies. Existing FE college courses were therefore placed in competition with cheaper courses provided by other vendors.

17. With the possible exception of young women trained in clerical occupations.

The competitive advantage of FE in the training field was based on both its expertise and its official monopoly over the the preparation of students for vocational exams.[18] The FEs were therefore seriously undermined in 1987, when the vocational exam boards (chiefly the City and Guilds of London and the Royal Society for the Arts) changed their traditional policies and gave some of the larger private firms and agencies the status

18. Recent developments under the NCVQ emphasize the assessment of performance competencies in the workplace; this further distances YT credentials from the more formal approach typically used in the FE sector.

of accredited centers for the lower levels of their certificates. FE teachers expressed their concerns about declining standards, noting that no questions had been asked about the quality of teaching staff in the private agencies (Lee et al., 1990).

In examining the effec' of YTS on the Further Education colleges, Lee et al. (1990) argue that the government used the Manpower Services Commission to undermine FE control over vocational training standards. Although some control over standards has been maintained in traditional craft areas (construction, motor repair, etc) in the new training areas such as the clerical and retail occupations "control was lost to employers with very little interest in upgrading training quality" (1990, p. 180). For trainees in low-level clerical jobs and in retail sales, the YTS traineeship represents a "trap" rather than a "bridge." There were no clear educational pathways through YTS to higher level qualifications in the Further Education sector, nor were there clear promotional prospects leading to higher level employment of YTS trainees in most firms.

An MSC survey in 1985 found that nearly three quarters of managing agents dealt with the off-the-job training requirement by making some kind of provision *within* the firm or agency. Less that one quarter of managing agents made sub-contracting agreements with Further Education colleges or other recognized training providers. During the early stages of the scheme, MSC guidelines did not require that off-the-job training should lead to any externally recognized qualification. It was, therefore, advantageous for firms (especially larger ones) to bypass FE and provide the training internally. Jones (1988) found that 76.8 percent of trainees leaving YTS between April 1986 and January 1988 received no formal qualification whatsoever. With the introduction of YTS 2 registration for qualifications improved, and over half the trainees in two-year schemes therefore gained a National Vocational Qualification (NVQ), even if many of these were at relatively low levels (Jones, 1988).

Skills in demand

Finegold and Soskice (1988, p. 31) described the YTS as "the first permanent training program for school leavers" in Britain and the "centerpiece" of the New Training Initiative (NTI). Although YTS had the potential to contribute significantly to national skill formation needs, most analysts agree that the standards of vocationally oriented education and training in Britain remain woefully inadequate (see, for example, Finegold & Soskice, 1988; Jones, 1988; Lee et al., 1990; Miliband, 1990; Sako, 1990). As already stated, many YTS trainees gained no formal qualifications through the scheme, and that the qualifications that were gained were mostly of a very basic character (Jones, 1988). Furthermore, YTS appears to have had almost no effect on the output of higher level qualifications and skills (Steedman, 1988). Unless the school-level educational qualifications of YTS entrants is improved and the quality and duration of off-the-job training increased, it would seem unlikely that these outcomes will be greatly altered. At the same time, given the occupational profile of the YTS, it is difficult to see how Britain's future needs for skilled workers and technicians can be met through this system.

An MSC survey conducted in November 1985 found that 35 percent of trainees were either in administrative and clerical or sales and retail occupations, and a broadly similar distribution of trainees by occupation was reported in a more recent survey of trainees entering the second year of YTS (Witherspoon, 1987). Given that the British service sector showed positive growth through the 1980s while the industrial and agricultural sectors were declining (OECD, 1988-b), the occupational distribution of YTS might look reasonable; but the problem again lay with the *level* of training. The fastest growing occupations in UK during the early 1980s were "highly qualified service workers, managerial and administrative workers" (OECD, 1988-b, p. 189), while YTS training in these areas was at a very basic level.

A national study of the relationship between skills in short supply and YTS training places (Deakin & Pratten, 1987) found a lack of places in areas of shortage and too many places in areas where there was no shortage. Lee et al. (1990) analyzed these data and supplemented them with information from their detailed work in the Southwich region. They found that in some cases, remnants of training structures closed by the recession were re-opened for YTS, even if there was no longer any local demand for the skills developed. They also found that if training costs were high (as they often were in the high-shortage occupations) YTS subsidies did not cover costs, so employers had few incentives to expand the training program. On the other hand, where training costs were low, employers gained net benefits, and this led to "the over-provision of low-level placements in non-established or non-shortage skills" (Lee, et al., 1990: p. 75).

One implication of this outcome is that employer-driven schemes do not necessarily result in a distribution of skills training that meets national labor market shortages. This is especially so if private providers can make a profit by providing cheap, low-level training, generating an over-supply of young people with minimum skills. In 1989, the Confederation of British Industry published a document which bluntly stated that *despite* employer leadership, the British education and training system is still not delivering the goods. Yet the government remains wedded to the mixed model, including the employer-driven approach to vocational training.

3.4 Why can't the English?

The British education and training system is in need of reform, and there is general agreement that this reform should focus on provision for 16- to 18-year-olds. Reviewing statements by politicians on both sides, reports by the Confederation of British Industry and the Trades Union Congress, and the arguments of academics, Raffe (in press-a) concluded that elements of consensus are emerging in the reform debate. There is general agreement that levels of participation in formal schooling need to be substantially increased and that barriers to completion of a full secondary education should be removed. Parity of esteem for different courses and qualifications should be promoted. A common curriculum shared by students at the secondary level is needed, with an increased emphasis on general education.

On other issues there is less agreement. Should entry to the post-compulsory years of academic secondary education remain selective, or should a more comprehensive curriculum be introduced? Should the divisions between the three sectors of the education and training system be removed, or should the mixed model be retained? Given the existence of the mixed model, what benefits might flow from closer articulations between schools, YTS and FE? Reforms under the Scottish Action Plan during the 1980s promoted a more comprehensive curriculum for the final years of secondary school, and closer links between different sectors of the system. As as result, the structure of Scottish education and training encourages higher participation, weaker streaming between vocational and academic tracks, and more flexibility than in England and Wales (Raffe, in press-b) These policies are discussed below, after consideration of the English case.

The policy options chosen in England during the 1980s involved minimum articulation of the three sectors. Schools, Further Education and YTS remained distinct, serving different populations. If a problem was identified in a particular sector, then it was dealt with by superimposing a new structure or developing a new initiative for that sector, rather than by considering structural reforms to the system as a whole. England's failure to expand the FE system to provide quality training for YTS has already been discussed. Examples such as the development of the Technical and Vocational Education Initiative (TVEI) and the National Council for Vocational Qualifications (NCVQ) further illustrate this sector by sector approach to reform.

The Technical and Vocational Education Initiative

The TVEI was introduced to address the lack of curriculum diversity in British schools,[19] which has been a target of criticism for many years. At the post-compulsory "Sixth Form" level, the English secondary school curriculum is narrowly academic by design. Most students who stay on in secondary school after age 16 study academic subjects, attempting the A-level courses which provide the main route to higher education. Two years of intensive study are required for A-level examinations, and most students attempt no more than three of them.

A small percentage of students not intending to enter higher education stay on in the secondary schools, either taking additional O-level courses or doing the new TVEI courses, if these are available. Most students who are not university-bound, however, leave the secondary schools at age 16 and enter the second tier of the British education system — the Further Education colleges, which offer both general and occupationally oriented studies of a lower status than the A-level courses. The third tier of the English education and training system is firm-based training through YTS. This "mixed model" is structured so that young people with different labor market destinations are educated or trained in different institutions.

But the curriculum during the first five years of secondary school is ostensibly comprehensive. The main purpose of these years is to prepare

19. TVEI was introduced in Scotland as well, although the curriculum there has traditionally been more comprehensive than in England and Wales.

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students for the common examination for 16-year-olds — the O-levels or General Certificate of Secondary Education (GCSE) examination. Although there are variations across the Local Education Authorities, the curriculum leading to the O-level exams has often been characterized as rigid and conservative, offering little of relevance to the world of work or to adult life (Finn, 1987; Willis, 1977). Unbending teaching methods and ability streaming (the UK term for tracking) lead to widespread disaffection among less able students, and industry leaders have claimed that these young people often leave school with little to show for the years they spent there.

TVEI was introduced into this context to support a more inclusive approach to secondary education for 14- to 18-year-olds by introducing new styles of teaching, learning and assessment, and by broadening the curriculum to include courses in a variety of sk s, from manual trades to computer science (Dale, 1985). Some critics were suspicious of these objectives, seeing TVEI as a threat to comprehensive education and the ideal of a common liberal curriculum for all. The problem, however, did not lie with the objectives of TVEI, but rather with the scale and mode of its implementation. The Scottish mode of TVEI implementation was somewhat more systematic (see below) but in England, TVEI courses developed as "optional extras" that never claimed a legitimate place in the curriculum.

In 1983, the TVEI pilot scheme was implemented on an experimental scale. Its aim was to test and explore new approaches, so the results would be *expected* to vary from place to place, nevertheless, some positive effects on student performance and staying-on rates were hoped for. Raffe (1989) compared Scottish TVEI schools with non-TVEI schools, then conducted within-school comparisons, comparing TVEI students with others. On both counts he found that "the effects of TVEI were generally negligible on average" but that they "appeared to vary across schools and across projects" (1989, p. 13). These negligible results were found in relation to four criteria: examination attainment at 16; truancy; continuing education after 16; and employment among those who leave. Promising programs emerged in particular schools, but given the meagre resources allocated to the development of TVEI, these often remained as local demonstrations.

The TVEI pilot was expected to involve only ten percent of all secondary schools (Finn, 1987), so the real test of TVEI would depend on the implementation of the "TVEI extension". From 1987 on, TVEI was extended to cover all British schools, but with a much smaller level of per capita funding, and consequently with a much reduced impact. Nevertheless TVEI should not be lightly dismissed. In many areas, it has made a significant contribution by introducing new courses and new pedagogy, helping schools to achieve the flexibility they need if they are to adopt a more inclusive approach. But at a deeper level, the basic selective function of the English education system remains unchanged, and in this context educational innovations almost always have an ambiguous status. It is hardly surprising that TVEI courses — which did not easily fit into

the centrally determined curriculum in England — were often labelled as "mickey mouse". The Scottish Action Plan (see below) provides a partial solution to this problem, by achieving an articulation between TVEI courses and Scotvec modules, which allows TVEI to count towards the national Certificate (see below).

The National Council for Vocational Qualifications

Vocational qualifications in England are awarded by a large and poorly coordinated collection of examining bodies (e.g., the Business and Technical Examinations Council, the City and Guilds Examination Board, and many others). Traditionally, the Further Education colleges had a monopoly over preparing students for these qualifications, but as YTS developed, some of these examining bodies authorized private training agencies and YTS managing agents to carry out this role. In 1986, amidst growing concern about standards, the government established the National Council for Vocational Qualifications to provide greater coordination in this area (De Ville, 1986). The NCVQ does not conduct examinations or award certificates. Instead it works with lead bodies from industry to define sets of competencies or National Vocational Qualifications (NVQs) for each occupation. Qualifications that satisfy NVQ criteria may be accredited by the Council, regardless of whether the programs that lead to them are presented by FE colleges, private training agencies or firms.

While NCVQ *looks* more coordinated -- it absorbs all sub-professional skill credentials into one national scheme — it actually increases the range of organizations that are entitled to provide vocational accreditation in England and Wales. In addition to the FE colleges and various examining bodies that were already in this arena, private training agencies and employers now have an independent place. Under NCVQ, an increasing number of employer-controlled YTS schemes are being accredited. The low-level NVQ credentials offered through YTS mostly involve a reduced emphasis on academic skills — they are largely based on "tests of performance competency" conducted by workplace supervisors who rate trainees on their ability to perform work-related tasks (Thompson, 1989; *Vocational Fudge*, 1990).

Four main criticisms have been directed at the NCVQ. As already stated, the so-called rationalization of the vocational qualifications system under the NCVQ was not designed to *reduce* the number of bodies providing vocational qualifications in England and raise the standards required. Rather, the government *increased* the number of bodies entitled to award qualifications, adding employers and managing agents to the existing collection. Second, the new performance-based NVQs are at a very low level. Instead of raising the skill level of the workforce, the legitimation of employer-controlled training on this scale threatens to perpetuate what Jarvis and Prais (1988) call "a certificated semi-literate under-class."

A related criticism is that firms providing training for National Vocational Qualifications are often accredited to assess their own trainees. The

absence of any external assessment or monitoring — especially for YTS trainees — lowers the status of these credentials and undermines the development of any public confidence in them. Finally, to the extent that YTS trainees are the main target of the performance-based NVQs, the potential role of Further Education colleges in providing off-the-job training for them is further undermined, and the prospect of integration between academic and vocational training becomes more remote (Lee et al., 1990).

Lessons from Britain and Australia

3.5 The Scottish Action Plan

In Scotland, the segregation between academic and vocational tracks is weaker than in the rest of Britain (Raffe & Courtenay, 1988). Most students who complete secondary school in Scotland have taken a combination of vocational and academic courses. The main post-compulsory academic qualification, the Higher,[20] is typically attempted after a one year course, and in a broader range of subjects than the A-levels. A much larger proportion of the age group attempts at least one Higher in Scotland than attempts one A-level in England (Raffe & Rumberger, 1990). During the post-compulsory years, Scottish students intending to enter a university will mostly study Highers, while those who are continuing at school because they want to enhance their position in the labor force will usually combine one or two Highers with new or repeated O-level subjects or vocational courses.

A common problem with vocational education is its overlapping and poorly coordinated nature. Vocational training is often delivered by a variety of institutions — by schools or colleges or in the workplace. The relationships between school and college courses, firm-based training and apprenticeships are typically poorly defined, leading to problems of recognition and lack of progression from one level to another. Elements of these problems are evident in Australia and the USA as well as in Britain.

In 1984, the Scottish Education Department began to implement the Action Plan in an attempt to integrate, rationalize and coordinate the different institutions and practices involved in providing vocational education. To some extent the plan was based on the creation of a system of vocational modules for the National Certificate (NC) of the Scottish Vocational Education Council (Scotvec). But the reform was about more than mere modularization. As Raffe (in press-b) describes it, it covered "pedagogy and assessment and the content as well as the structure of the curriculum". The Plan was also based on a strategy of institutional versatility; it covered school and college courses, but could also cover a wide range of other forms of ET: part-time or full-time work-based training, apprenticeships and even YTS.

The Plan has replaced nearly all vocational courses outside of the higher education sector with a system of modules, which are available through schools, colleges, and approved private sector agencies. For example, because of the Action Plan, students studying TVEI courses in schools as well as young people employed in YTS schemes can accumulate modules

20. *See glossary.*

towards the NC. Both the content and structure of the modular system are compatible with YTS, and NC modules are the main source of off-the-job training provision under YTS in Scotland (Raffe, 1988). Each module (of 40 hours duration) conforms to a standard design framework and is accredited by a single National Certificate (NC), awarded by Scotvec. Modules vary in difficulty and are designed for all ability levels. To complete a module, a student must achieve all the learning outcomes to a specified level; the passes are criterion referenced rather than graded.

Raffe (in press-b) suggests that the most important feature of the plan is, "the uniform specification of the modules, and the scope for curricular rationalization, coherence and progression made possible by a single qualifying body, Scotvec." The uniform specifications relate not only to "end competencies" but also to the training process, since a high quality training system must have agreed upon standards for teaching and the content of what is taught, not just regulation of outcomes. The rationalization achieved by the Action Plan allows students and trainees following different pathways to advance toward a common qualification — the National Certificate — and beyond the NC to advanced vocational qualifications.

An interesting feature of the Scottish Action Plan is that it was developed in a context which has much in common with the rest of Britain. Labor market conditions in Scotland are very similar to those which apply south of the border. The major education and training initiatives — programs such as YTS and TVEI — are designed in London but apply throughout the UK. Given these contextual similarities, the interesting question is why England has not developed an analogous system. England is, of course, much larger than Scotland and its multitude of examining bodies are well entrenched: it would be difficult to do away with them. But as Raffe (1989) and Spours (1988, 1989) have argued, the Scottish Action Plan seems to be ameliorating some of the worst problems of the British mixed model; its usefulness in achieving a closer relationship between academic education and vocational training throughout the UK therefore deserves serious consideration.

3.6 Can the Mixed Model deliver quality training?

This description of developments during the 1980s has emphasized the "mixed model" as the key structural feature of the British education and training system. Under this model, different groups of young people receive very different forms of education or training, depending on their presumed destinations in the labor force. Schools, Further Education and YTS represent the three basic pathways, and in England these pathways became more disparate and less well articulated (rather than more closely coordinated) over the last decade.

Attempts to diversify the secondary school curriculum through TVEI were half hearted. Despite TVEI, in England (more than in Scotland) the curriculum for the final years of secondary school has remained narrowly academic, and participation rates increased very slowly during the 1980s.

By contrast, YTS grew from small beginnings to a point where, by the mid 1990s, one quarter of all 16- to 17-year-olds were participating in a scheme. The government seemed to place greater priority on the number of places provided than on the quality of the training. The off-the-job training component of YTS came under direct employer control in an increasing proportion of the schemes, while the role of the Further Education colleges in providing YTS training diminished.

Lessons from Britain and Australia

In Scotland an attempt is being made to coordinate vocational standards by placing all forms of training under the aegis of Scotvec. The creation of the NCVQ in England, however much it may be presented as a form of coordination, actually increased the diversity of that country's collection of accrediting agencies. By awarding certificates for the low-level skills acquired in YTS workplaces and giving employers more control over accreditation, the NVQ system widens rather than narrows the gap between academic education and vocational training in England.

The development of the YTS as a separate (and now major) strand in Britain's mixed model of education and training clearly served certain short-term interests. Unemployment was kept under control, and controversial reforms that would have diversified the curriculum of the secondary schools were kept to a minimum, especially in England. The question now being asked by politicians, industrialists and educators is whether the mixed model will serve the nation's long-term needs for a better and more evenly skilled workforce. Since the central issue around training quality relates to YTS rather than other sectors of the system, the question becomes one of whether standards can be raised while most YTS training remains under the control of employers rather than being in the hands of recognized training institutions.

4. Lessons from Britain and Australia

These two case studies tell a dramatic story. During the 1970s in both Britain and Australia, most teenagers left school around age 15 or 16 to get jobs. In both countries, only a minority remained in school to complete secondary education, and for these the purpose of the final years of high school was to qualify for university entrance. At the end of the 1970s, technological and structural changes in the economies of both countries led to the collapse of the youth labor market. During the 1980s, therefore, the task facing governments in both countries was to increase the overall participation of 16- to 18-year-olds in some form of education and training.

In doing this, Australia followed the US "schooling model," diversifying the upper secondary curriculum and achieving a major increase in high school completion rates. This was not simply achieved by adding vocational courses or a vocational track to the final two years. On the contrary, most of the state-initiated curriculum reforms actually reduced the gap between academic and vocational studies at this level (as explained above).. The emphasis was on more appropriate teaching and assessment strategies, rather than on a dilution of the academic quality of the courses. During this period, Britain persisted with its "mixed model" and although there were some increases in enrollments in schools and the Further Education sector, the greatest increases in overall youth participation in ET resulted from the development of the employer-controlled Youth Training Scheme.

Both case studies focussed on the 16- to 18-year-old age group, since this is where the most controversial issues in education and training policy are being fought out among the policy makers. There is general agreement in Australia, Britain and the United States that young people who leave school around age 16 face grim prospects in the labor market. In comparison with those who complete high school, they are much more likely to be unemployed or trapped in poorly paid jobs that offer limited security and few opportunities for advancement (Kirby, 1985; Junankar, 1987; Freeman & Wise, 1982; Murphy & Welch, 1989). Policy makers agree the proportions of 16-18 year-olds participating in recognized forms of education and training must be increased. But there is much less agreement on whether this expansion should be provided by schools, colleges, work-based training or some combination of these.

In the United States, dropout prevention remains high on the agenda, despite the fact that between 75 and 85 percent of America's young people graduate from high school. At the same time, there is growing concern about the quality of the education and training offered to those who are not on the college track. Have US high schools reached the limits of their capacity to cater to the diverse needs of young people who are using the final years as a bridge to different destinations — to higher education, occupational education or employment? What else can our schools do to attract and retain those who, at present, leave prematurely?

These are complex questions, and a range of different reform efforts are emerging, each vying for attention. One of these, the youth apprenticeship or work-based learning movement, proposes that closer relationships between school and work have the potential to improve the quality of schooling as well as to raise participation rates (Barton, 1989; Hamilton, 1990; Nothdurft & JFF, 1990). As Hamilton (1990) writes:

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Current forms of education and training, which in the past have adequately prepared white males to fill available jobs, cannot survive unaltered the simultaneous transformation of work and the workforce. During the 1980s, the school reform movement was motivated by the premise that making all schools as effective as the best traditional schools would meet the challenge. Improving schools is a necessary but not sufficient response to new demographic and economic realities. Along with better schools, a new institution is needed to connect schools to workplaces and to provide young people with clearer paths from school to work: apprenticeship (p. 1).

Advocates of this reform strategy argue that what the United States needs is "a national system for preparing young people for skilled high-wage careers through a coherent combination of classroom and workplace learning" (Nothdurft & JFF, 1990, p. 19). This system aims to provide a context in which young people, supported by adult mentors, would achieve the transition to adulthood. It aims to create bridges to jobs with a future on a scale which, in effect, amounts to a national system for school-to-work transition. The case studies presented above describe attempts over the last decade in Britain and Australia to establish schemes on much the same scale. What lessons can the work-based learning movement in this country learn from their experiences? What common wealth of experience can the US garner?

The first lesson relates to work-based learning itself: where and by whom it should be presented, what purposes it should serve, and how it should be accredited. The second (to be discussed below) relates to the role and importance of policy coordination — to the need to establish consistency between federal, state, and local policies for income support, education and labor market training for young people.

4.1 Designing work-based learning

Britain's experience with the Youth Training Scheme offers salutary lessons to any country considering the development of work-based learning schemes as part of the education and training system. Essentially, the scheme adopted two strategies in its attempt to facilitate the transition of young people into the labor market. One was to provide occupationally relevant skills and to provide certification that would be respected by potential employers. The other strategy was to give (some) trainees privileged access to firm's internal labor markets, by subsidizing their employment for a year or two and allowing employers to select among them. In this case, YTS was used by firms to screen future employees (Raffe, 1988). As we have seen, many employers preferred the second strategy to the first. Although industry-wide guidelines were established

to specify training content, the off-the-job training component was, in many cases, both provided and assessed by the firm that employed the trainee.

Such training has been characterized by Raffe (in press-a) as training in the "internal mode," since it essentially serves the specific needs of a firm's internal labor market. All too often such training is narrow, low-level and of little value outside the firm that provided it.[21] It can be contrasted with training in the "external mode" which provides young people with recognized credentials and skills they can sell to other employers. Most full-time education is in the external mode — it often provides the basis for higher-level employment on the basis of recognized professional or para-professional status, although it is also the preferred mode of delivery for low-level clerical training. In either case, however, external training tends to be more portable and generic than internal training, in that it prepares young people for employment in a range of different firms.

Lessons from Britain and Australia

Raffe (in press-a) characterized the problems of the British mixed model of education and training by representing it as a system in which neither mode is dominant. Rather, the two modes are in competition. The education system, which operates in the external mode, attracts the better students to enter higher education, hindering recruitment to the internal mode. Employers complain about the declining standards of entrants to manufacturing, service jobs and traditional craft industries. On the other hand, employers are critical of the academic bias of the education system, which they see as inappropriate to their needs. They therefore seek to attract 16 and 17-year-olds into internal training, maintaining the tradition of early leaving. But as we have seen, "internal" training frequently traps young people into low-skill, low-wage jobs from which they cannot escape because they lack recognized credentials that would allow them to progress in either education or employment hierarchies.[22]

What should educators in the United States draw from this? Work-based learning programs may in many cases assist young people with labor market entry, but it is essential that such programs be defined primarily as contributing to recognized educational goals. As Raffe (in press-a) argues, the external mode should be dominant, and other training and labor market activities should be planned in relation to it. While employer input to the design of training courses may be important, the surest way to help young people advance along respected pathways is to ensure that the training they receive is controlled and delivered primarily by schools and colleges, rather than by the employment sector.

Although the "internal" or firm-based German apprenticeship system is capable of producing credentials that are respected and portable, it is difficult to imagine employers in the United States accepting the imposition of the stringent standards and regulatory machinery on which this system depends. What this means is that the success of work-based learning in the US depends on the capacity of educational leaders to establish partnerships with employers, to design ways of incorporating

21. Post-graduate training for physicians, systems engineers, computer specialists and so on is often of an "internal" nature, but such firm-based training is predicated on the employee already possessing a high level of external training.

22. Internal training can be of a high quality, particularly in larger firms which make substantial investments in training. The elaborate standards setting and standards monitoring processes which characterize the firm-based part of the German dual system suggest that significant infrastructure may be needed to maintain the quality and portability of training which includes an internal component.

workplace learning into the curriculum, and to articulate work-based learning programs with relevant occupational training in the higher education sector. In the US system, where the most prestigious forms of education and training are clearly in the external mode, the parallel creation of an employer-controlled or "internal" training scheme would inevitably trap the scheme's clients into low-skill, low-status options.

Lessons from Britain and Australia

4.2 Towards a coordinated approach

We noted in the case study above that during the 1970s Australia operated a mixed model of education and training. About one in three of each age group completed high school, about one in ten entered an apprenticeship, and a slightly smaller number entered post-compulsory training in the Technical and Further Education colleges. As youth unemployment rose, the Fraser government (following monetarist policies similar to those adopted by Thatcher) relied on employment subsidy programs aimed at facilitating young people's entry to firms' internal labor markets. These programs, together with a range of other job creation and training programs, were under the control of the federal department of labor.

Although youth unemployment was rising, high school completion rates remained static between 1976 and 1982. During this period, the federal department of education was *not* seen as a key actor in the youth policy arena, and even the School to Work Transition Program was operated by the department of labor. The activities of Australia's departments of education and labor were poorly coordinated, as they were in Britain, where the Manpower Services Commission, the Department of Education and Science and the local school authorities seemed to follow independent pathways.

The Hawke government, elected in 1983, made a clear ideological break with the framework that guided the former administration. It quickly abolished employment subsidy schemes and placed higher levels of participation in schools and TAFE at the center of its youth policy framework. As the federal funding guidelines for the Education Commissions in 1984 declared, "The Government wishes to achieve a situation whereby at the end of the decade most young people complete the equivalent of a full secondary education, either in school or in a TAFE institution or in some combination of work and education" (DEYA, 1983, p. 1). With this commitment, the issue then became one of identifying the combination of state and federal policies needed to achieve this outcome.

The case study described the coordinated strategy followed by the federal government to encourage increased school participation. Income support systems for young people were rationalized and AUSTUDY — an age related system of living allowances to support students in full-time secondary, post-secondary and higher education — was introduced. Employment subsidies that enticed students out of school into the labor market were abolished, and the Australian Traineeship System put in their place. This system itself could also be seen as enticing young people to leave school; however, unlike the programs it replaced it does provide

structured off-the-job training through the TAFE colleges, rather than relying on informal arrangements made by employers.

As already noted, the Australian Traineeship System was originally proposed as an alternative to high school completion for students who were more interested in entering the workforce than in preparing for higher education. But as Australia moved away from the "mixed model" towards a point where schooling and the external mode dominated, the advantages of early entry to a firm's internal labor market declined. By 1990, two out of every five new entrants to ATS had already completed high school. High school completion obviously had higher status with employers as well as providing an entry ticket to post secondary education and training.

In Australia, the proportion of young people completing high school virtually doubled during the 1980s. Despite the fact that there are still real financial benefits in opting for work-based training, many Australian young people choose school over the ATS. But students will not remain at school if they believe the curriculum is irrelevant to their interests, or if they are advised that that will most likely fail if they stay on. During the 1980s, the barriers to entry to the final years of high school were broken down, and curriculum reform played a crucial role. Australia's state-based high school completion certificates were steadily transformed to serve more comprehensive purposes.

This broadening of the options available for the final years of high school involved something of a balancing act: the trick was to achieve the necessary diversification without falling into the trap of offering programs that have little status in either the education or the employment hierarchies. Aware of the danger of an erosion of the status of high school credentials, the state examination boards are maintaining much of their traditional centralized control over assessment procedures and the awarding of certificates. Another important feature of this diversification is that the secondary schools have *not* introduced separate academic, general and technical tracks to cope with the broader clientele. In all states, students headed for either higher education or the workplace study a number of subjects in common during the final two years.

To summarize, the Australian government has been particularly systematic in the way it has used public policy to minimize disincentives to continued education and training for young people. Job creation and employer subsidy schemes have been abolished, structured training alternatives have been created, and a system of income support put in place to encourage further education participation. Equally important, the state governments have implemented wide ranging reforms which have fundamentally altered the curriculum content, teaching methods and assessment procedures for the final two years of high school.

There is much in the Australian experience that is not transferrable to the United States. Young people in the US are not being lured out of school by

the offer of subsidized jobs or unemployment benefit payments. They are not discouraged (as Australian students in the late 1970s and early 1980s were) by the narrowness of course offerings during the final two years of high school. They may (with some justific ion) believe that their high school diplomas carry little status with employers; there may, therefore, be lessons to be learned from Australia's state examination boards, whose uniform standards (and official transcripts) are respected by both employers and higher education institutions. In terms of establishing parity of esteem for vocational credentials, the US may find that it can learn more from Scotland's modular system than from Australia's examination-based approach. In either case, this is a topic for another paper; it cannot be explored here.

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The lessons to be learned from Australia's experience with policy coordination are probably most applicable to the state governments in the US, since it at this level that most education and labor market expenditures are controlled. It is possible, for example, to find schools do not have enough money to maintain innovative programs aimed at dropout prevention. At the same time, using JTPA funds, other agencies supported by the states offer basic training or GED classes for young adults who have already dropped out. A coordinated approach might, for example, mean establishing innovative education centers serving both adult dropouts and young people who are poorly adapted to traditional schooling, financing the center by drawing on both school and JTPA funds. An alternative example of coordination is a unified approach to work-based learning, where funds could be drawn from a number of sources to support a unified training structure for both young people and older workers seeking to upgrade their qualifications.

In either case, the strategy is clear. A systematic approach to public policy coordination begins with a commitment to common policy objectives. It entails aligning the activities of different levels and areas of government which often work in an uneasy partnership. Instead of maintaining a situation in which different departments and agencies run separate programs targeted on separate client groups — often competing for clients and resources — funds are pooled in the service of agreed upon outcomes. As the Australian case suggests, the benefits of such coordination seem to justify the effort involved.

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Glossary

A-Levels Advanced levels: See GCE.

ABS Australian Bureau of Statistics.

ATS Australian Traineeship System: A combined program of TAFE-based education and employment targeted at 16- to 18-year-olds, offering 12 months of training in non-trade occupations. The ATS is complementary to the (trade-based) apprenticeship system. See chapter 2.7.

Austudy Australian federal government financial assistance program for students aged 16 years and over in full-time secondary and post-secondary studies, subject to tests of income and assets.

BLMR Bureau of Labour Market Research (Australia).

CBI Confederation of British Industry.

DEET Department of Employment, Education and Training: Australian federal mega-department, created in 1987 by an amalgamation of the departments responsible for education and labor.

DES Department of Education and Science (UK).

DEYA Department of Education and Youth Affairs: Australian federal department resulting from the merger of the Commonwealth Department of Education and the Office of Youth Affairs in 1983. Absorbed into DEET in 1987.

EPAC Economic Policy Advisory Committee (Australia).

FE Further Education (UK): Usually refers to general and vocational courses provided full- or part-time in colleges of further education (including technical colleges). Students normally enter these courses after completing the GCSE, around age 16, or later, as adults. FE programs may lead to diplomas, but not degrees. Roughly equivalent to TAFE in Australia.

GCE General Certificate of Education: Certificate awarded on the basis of subject-specific examinations, usually attempted at age 18 in England and Wales, and are the main qualification for university entrance.

GCSE General Certificate of Secondary Education: Certificate awarded on the basis of subject-specific examinations, usually attempted at age 16, replacing O (ordinary) levels and the Certificate of Secondary Education in England and Wales.

GED General Equivalency Diploma (US): A diploma awarded on the basis of successful performance on a series of formal standardized test, indicating that the recipient has academic skills equivalent to those associated with high school graduation.

Highers Subject-based examinations constituting the main qualification for university entrance in Scotland, normally first attempted at around age 17. Nearest equivalent to English A-levels, but different in several respects. See chapter 3.5.

HSC Higher School Certificate: Certificate awarded in New South Wales on the basis of assessments designed by the state examination board. Each Australian state awards an equivalent certificate at the end of year 12, providing qualifications for university entrance as well as entry to post-secondary vocational courses or to the labor market. In this paper the term 'HSC' is used to cover all of these, although strictly speaking they are known by different names in different states.

ILM Internal labor market: Firms which hire employees from the outside through low-level 'ports of entry' and fill all upper-level vacancies from within the firm operate ILMs. Such firms rely on internal training to prepare employees for promotion.

ISYP Income Support for Young People: Australian review of welfare, labor market and education allowances in 1983-85, which led to a rationalization of payments and the introduction of AUSTUDY.

JTPA Job Training Partnership Act (US).

JSA Job Search Allowance (Australia): Allowance payable to 16- to 18-year-olds who are seeking employment and are not enrolled in an education or training program. Unlike the junior unemployment benefit (which it replaced) JSA is subject to income and assets tests; regulations governing amounts payable under JSA are aligned with those for AUSTUDY. See chapter 2.6.

LEAs Local Education Authorities (UK).

MSC Manpower Services Commission: Established in 1974, responsible for training and (until 1987) employment services for the UK government. Now re-named the Training Commission.

NC National Certificate: Title of certificate awarded by Scotvec on the basis of successful completion of modules designed and authorized under the Scottish Action Plan. See chapter 3.5.

NCVQ National Council for Vocational Qualifications: Body set up in 1986 to accredit existing and new vocational qualifications in England and Wales and to rationalize vocational credentials in terms of five 'levels'. See chapter 3.4.

NVQ National Vocational Qualification: An umbrella qualification awarded following the NCVQ rationalization. Existing credentialling agencies such as the City and Guilds and the CBI continue to conduct assessments, but their certificates are now allocated to particular 'levels' by the NCVQ.

O-Levels Ordinary level: see GCSE.

OECD Organization for Economic Cooperation and Development: Paris-based organization that coordinates the exchange of information among the industrialized countries of Western Europe, North America, Australasia and Japan

OYA Office of Youth Affairs: Office responsible for the coordination of youth policy developments at the federal level in Australia. Abolished in 1987 when the education and labor departments were amalgamated.

Scotvec Scottish Vocational Education Council: Established in March 1985 from the merger of the Scottish Business Council and the Scottish Technical Education Council. Awards National Certificates for modules introduced following the Action Plan.

TAFE Technical and Further Education: Australian system of colleges providing full- or part-time general or vocational courses, including the off-the-job component of apprenticeships and ATS. Students normally enter these courses after year 10, around age 16, or later, as adults. TAFE programs may lead to diplomas, but not degrees. Roughly equivalent to FE in Britain.

TVEI Technical and Vocational Education Initiative: MSC initiative, introduced on a pilot basis in Britain in 1983-84, aimed at exploring ways of enhancing the technical and vocational education of 14- to 18-year-olds. See chapter 3.4.

VCAB Victorian Curriculum and Assessment Board (Australia).

YOP Youth Opportunities Program: MSC program introduced in 1978 to provide work experience or work preparation for unemployed 16- to 18-year-olds. Replaced by YTS in 1983.

YTS Youth Training Scheme: MSC scheme offering work experience and training to 16-17 year-old school leavers. Introduced as a one-year scheme in 1983, extended to two years in 1986, now re-named Youth Training (YT). See chapter 3.2.

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