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# **SOCIAL ECONOMICS, POLICY AND DEVELOPMENT**

**Working Paper No. 46**

**Education, Employment and Social Inclusion  
within the European Union**

**by**

**Laurence Laselle and Clem Tisdell**

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# **Education, Employment and Social Inclusion within the European Union**

## **Abstract**

Employment and social inclusion have been regular themes in the agenda of the European Union for the past fifteen years. From a soft coordinated approach mainly focused on the fight against unemployment, the European Union has moved towards a more coordinated but still voluntary strategy for its Member States and this agenda now has multiple economic, social and environmental objectives. A constant feature of these strategies has been the use of education and training policies, in particular for young people who are at risk of social exclusion. This paper reviews the relevant agenda of the European Union and presents the concept of second chance schools initiated by the European Commission in 1995. It seeks to understand how the elements associated with these youth and the policy-makers are combined in order to achieve success in terms of job opportunities and better inclusion for young people.

# Education, Employment and Social Inclusion within the European Union

## 1. Introduction

Since the middle of the eighties, the performance of the European Union<sup>1</sup> (EU thereafter) in terms of employment and growth has been weak: unemployment has been high and persistent and the EU's GDP growth rate frail. At first, the EU Member States tried to solve these issues at their respective levels. This did not lead to great success and social and economic consequences emerged, in particular social exclusion.<sup>2</sup> At the beginning of the nineties, the European Commission<sup>3</sup> (EC thereafter) then felt that it should initiated a coordinated action among the Member States. The first attempt<sup>4</sup> was made in 1993 and took the form of the "*White Paper on Growth, Competitiveness and Employment*".<sup>5</sup> As its title indicates, it tackled three economic issues which were a problem in the EU and were at the heart of this medium-run strategy. The novelty of the document also rested on the presentation of the social implications of unemployment alongside the economic ones. The strategy was purely indicative (*i.e.* it was up to each Member State to implement whatever action it liked), but it recognised that government policies had a role to play.

As we shall see, it was followed by several other initiatives over the years: a social and economic plan and the *White Paper on Teaching and Learning* in 1995, the European Employment Strategy (EES thereafter) in 1997, and the Lisbon Strategy in 2000. From advisory-based medium-run strategy, the EC and the Member States moved progressively towards real coordinated and committed actions which were grouped around themes and mostly based on some Member States' successful experiences. The most ambitious was without any doubt the Lisbon Strategy. Its principal objective was to make the EU "the most dynamic and competitive knowledge-based economy in the world by 2010". It rested on a series of economic, social and environmental policies that would foster job creation, sustainable development, and social inclusion.

A constant feature of these EU actions has been the use of education and training policies, in particular for young people who were at risk of social exclusion. In theory, education could lead

to better job prospects and a higher standard of living for the individuals, to higher GDP growth rate and job creation at a macroeconomic level. As far as vulnerable people are concerned, better access to knowledge is usually perceived to be one of the best policies to increase their performance in the labour market and thereby their integration within society. The intuition behind this policy is indeed relatively simple: providing the penalised with training and supporting arrangements to give them the self-confidence and the opportunity to break out of their vicious circle of exclusion; ‘poor schooling in deprived areas leading to either poor job quality or high chances of unemployment leading to living in even more deprived areas’.<sup>6</sup> This paper presents the concept of second chance schools initiated by the EC in the *White Paper on Teaching and Learning*. This was designed to combat exclusion by fostering the employability of young people living in deprived areas. It seeks to understand how the elements associated with these youth on the one hand and the policy-makers on the other hand, are combined in order to achieve success in terms of better job opportunities and better inclusion for these young people. It is organised as follows. Section 2 reviews the concept of “education as an investment” and outlines its policy implications. Section 3 exposes the unemployment problem and how it has been tackled (partly through education policies) in the EU. Section 4 finally presents the concept of second chance schools.

## **2. Economics and Education as an Investment**

This section briefly reviews the relationship between education and economics, by focusing on education as an investment. It distinguishes the microeconomic features of educational policies from the macroeconomic ones as they lead to different policies.

### *Human Capital and Earnings*

Some economists have tried to determine how individuals decide about their educational choices knowing that (1) there exists a positive relationship between wages and education and (2) there is an opportunity cost in pursuing education, *i.e.* an individual gives up the possibility of higher earnings in his/her working life by interrupting his/her studies. The former is reflected by the Mincer (1958) equation in which higher wages are positively correlated with the level of studies. The equation allows the evaluation of the returns of an additional year in education in the individual wage. The latter is explained by Becker’s (1964) theory of human capital. The

associated benefits related to an additional year of schooling (possible higher earnings in the future) are carefully weighted with its associated costs (fees, cost of living and loss of income due to studies). No one denies that education is effective in transmitting knowledge, but it has been proved quite difficult to exactly quantify the direct link between marginal productivity of labour and education. Furthermore, doubts can be raised about the universal applicability of the concept of rational economic man when applied to individual decision-making about educational choices. The theories of Mincer (1958) and Becker (1964) are based on strong rationality assumptions.

Spence (1973), by viewing education as a signal, went one step further than earlier theorists: extra-education may not affect productivity at all. In this extreme point of view, education simply highlights the intrinsic difference in abilities between individuals. Agents achieve a certain level of education to signal their abilities to the employers. The more talented in studies, the better they perform on the job market. In this context, the implementation of an education policy aimed at increasing the general level of education among the population is a waste of resources and even questions the purpose of education. However, as relevant as the above theories can be, they ignore technical progress or the intra/inter generations transmission of knowledge and mainly focus on the private returns to education. Other factors need to be taken into account and the social returns to education to be discussed in order to give a wider perspective of the role of education in economics.

### *Human Educational Capital, Technological Progress and Growth*

Economists have tried to elucidate how education and sustainable economic growth are related to one another. Briefly speaking, two schools of thought can be distinguished. For some, growth can be achieved just by the accumulation of human capital. Others believe that education and growth are intrinsically linked to one another by technological progress.

The former, the new neoclassical approach, mainly rests on two hypotheses. Firstly, the microeconomic analysis detailed in the previous paragraph remains partly valid. Secondly, growth cannot be the result of the sole accumulation of physical capital or labour as these two traditional inputs of the production function exhibit diminishing returns. It can only be due to the



exogenous technical progress growth rate (Solow (1957)). In the augmented Solow model, a third input is added to these inputs: human capital. It also exhibits diminishing returns, but can be used to explain the economy's abilities to produce more over time. As policy-makers may not be able to significantly affect technological progress, they try to increase relentlessly the level of education as it influences the level of production (and therefore the level of income) in the economy. Mankiw, Romer and Weil (1992) tested empirically that model and demonstrated the positive impact of the level of schooling of the 12-17 year old on the level of GDP per head. However, Lucas (1988) showed that human capital stops exhibiting diminishing returns when its accumulation is related to its initial level. It can therefore generate sustainable growth.

In the second approach, technological change is endogenous and is related to growth and education. Here, an educated labour force is predicted to be more effective in creating, implementing, accumulating and adapting new technologies, thereby generating development. For instance, Romer (1986, 1990) emphasised the role of R&D. Education is also perceived to increase the number of skilled workers who participate in the creation of new technologies which enhances growth. In this case, the rate of GDP growth is positively correlated to the level of education. In the nineties, the empirical debate about whether education is a determinant of production and economic growth still flourished (see among others Benhabib and Spiegel (1994), Hall and Jones (1999)). The debate seems nevertheless to have been closed by Krueger and Lindhal (2001). In their attempt to reconcile the different approaches mentioned in the above paragraphs, they demonstrated empirically that both the initial level of human capital and its accumulation could influence growth in the long run.

Our brief review of the literature about education as an investment allows us to conclude that education policies must take multiple heterogeneous factors into account in promoting human capital in order to foster income levels and economic growth.

### **3. The EU and the Evolution of its Policies in Terms of Employment, Growth, Social Inclusion and Education**

#### *A General Overview*

For more than twenty five years, the European performance in terms of employment and growth has been rather weak, especially when the European statistics are compared with those of other countries, in particular the United States of America.

The 1998 Employment Rates Report (EC, 1998, p. 7) stressed that “twenty years ago employment rates in the EU and in the USA were similar. In 1997, the spread was 14 percentage points, equivalent to some 34 million jobs.” As found by Lasselle et al. (2005, Figure 1, p. 90), unemployment rose throughout the EU in the 1980s and the 1990s, but this rate has declined somewhat since 1997. However, it started to rise again in 2001. Of course, there are some discrepancies between countries, even between regions within the same country, but nevertheless the overall performance in terms of employment has been poor, in particular, high levels of unemployment are found among the young and people with low educational achievement.

As far as growth is concerned, the same report pointed out that in the EU “employment creation is strongly related to GDP growth: in fact, over the last twenty years and three economic cycles (peak-to-peak), there has been a very close relationship<sup>7</sup> between the rate of GDP growth and the change in employment” (EC, 1998, p. 13). Since, as described above, unemployment was a regular feature in the EU in the eighties and nineties, it is not surprising to discover that the EU was also not performing well in terms of growth. According to the Sapir report (2003), the difference between the EU and the USA growth rates increased in the last thirty years. Although the growth rates were quite similar in the seventies (an average of 3% for the EU and 3.2% for the USA), the difference was 1.5 percentage points in the nineties (an average of 2.1% for the EU and 3.6% for the USA). The EU growth started to slow down in the eighties. The nineties were even worse despite efforts of EU Member States to improve their management of public finance, to control inflation and to reform labour markets. Of course, discrepancies between the Member States exist. When the Heads of State and Government of the EU Member States met in Lisbon in 2000 and pledged to make the EU the most dynamic and competitive knowledge based

economy in the world by 2010, a target of a 3% GDP growth per annum was set to reach that goal.

The EU Member States started to have a coordinated approach in terms of economic and social policies in the middle of the nineties. In the first instance, this approach was designed to fight against unemployment and was relatively soft. It began to be more formalised once the Employment Chapter of the Amsterdam Treaty was adopted in June 1997. It was really conceptualised by the first EES a few months later. This is a natural way to proceed nowadays. However, the purpose of the coordinated approach was extended in Lisbon in 2000. Although the fight against unemployment remained an objective, it was combined with social inclusion and growth enhancement in a sustainable manner following the so-called Lisbon Strategy.

*The White Paper on Growth, Competition and Employment (1993)*

The first time that the EC communicated on unemployment in a coordinated manner was in 1993 when it released the *White Paper on Growth, Competitiveness and Employment* (Delors (1993)). This paper was meant to show how much the EC was concerned by unemployment and was aware of its social consequences. The preamble of the paper listed the now well-known main features characterising the EU economy in the past twenty years, among others: the continual decline of its growth rate, the economic and social consequences of a high and persistent unemployment, the decrease in investment, the worsening gap in terms of R&D and in competitiveness with the USA and Japan. The White Paper gave possible explanations of these features and proposed a series of possible economic policies (sometimes simply advice) to improve the overall EU performance. Some educational policies were suggested. But we should point out immediately that although these were discussed, they were not seen as a major component of the actions; they could not affect the immediate problems faced by the EU and therefore should be integrated in to a long-term perspective. In addition, the Member States would not allow the EC to have a leading role in educational matters. They were simply encouraged to make investment in training and education. Development of training was thought to be a good active labour market policy as this policy would enable workers to get better skills (and therefore increase their productivity) or unemployed to obtain new skills (and make them attractive in the labour market). Investment in education was considered to be essential as it was

seen as a means to improve the EU's competitiveness. The Member States were strongly encouraged to involve all actors (public authorities, business and social partners), to recognise each other qualifications and skills, and to exchange good practices. Finally, existing European programmes and regulations were regarded as the possible embryo of a European dimension on education.

The recommendations of the White Paper were never really followed up for at least two reasons. Firstly, they mainly depended on the willingness of each Member State to implement them. Secondly, the EC would rapidly come back to its traditional objectives: the path towards the introduction of the Euro and the integration of former Soviet East-European Republics. However, the 1994 Essen European Council stressed that the "fight against unemployment [was] a long-term and paramount policy aim for the EU". For this purpose, five common objectives were set for the Member States including investment in vocational training, making growth more employment intensive and fighting against youth and long-term unemployment.

#### *Brief Overview of the EU Social Policy until 1995*

At about the same time, the EC was coming more and more under fire by politicians (echoing concerns from European citizens) for its lack of social concerns. When the development of the EU from its creation in 1957 is examined, it is soon apparent that no social policy existed until the early seventies "when the Commission proposed a Social Action Programme which launched legislative initiatives in the fields of employment law, equal opportunities, health and safety at work and the development of the European Social Fund" (Europa website). This soon led to the European Social Charter (signed by eleven governments – the UK declined to do so) in October 1989. The latter allowed the creation of a legal framework for the adoption of social legislation and a legal basis for action in the social policy field at the European level. The Charter was partly included in the annex<sup>8</sup> of the Treaty<sup>9</sup> of the EU signed in Maastricht in 1992. It could not be fully incorporated because of the UK's refusal to sign it. It would help in the launch of the ambitious medium-term social action programme for 1995-97. Social policy then became an essential component of European integration. It covered several fields: employment, legislation, equality of opportunity for women, and the idea of a society that belonged to all its citizens.

*The White Paper on Teaching and Learning (1995)*

In 1995, the EC released the White Paper entitled “*Teaching and Learning – Towards the Learning Society*” in which educational policies and the fight against social exclusion began to take central stage in the fight against unemployment.<sup>10</sup> The EC wanted to show how much it wished to help European citizens to adjust themselves in the ever-changing environment and to give them the best opportunities within this evolving environment thanks to a better use of education and training policies. Indeed, this environment created challenges and “complex changes” not only for its different Member States, but also for its citizens, but they were seen as a necessary path of progress towards a knowledge-based economy. They included the “internationalization of trade, the dawning of the information society and the relentless march of science and technology”. They had already “pernicious effects” because more and more Europeans had difficulty to find a job or to adapt to a new job. The White Paper addressed this by focusing on two themes: “reintroducing the merits of a broad base of knowledge”<sup>11</sup> and “building up employability”.<sup>12</sup> Both were articulated in terms of five objectives including: “Bringing the school and the business sector together” and to “Combat exclusion: offer a second chance through school”.

It is important to emphasise that until the *White Paper on Teaching and Learning*, education and training policies at the level of the EU were simply a matter of communication, cooperation or support. This White Paper was a radical change, since the EC took a leading role in implementing these policies. However, it stressed that these policies could not solve by themselves the unemployment problem, but could preserve the European social model and enhance the EU’s competitiveness.

In the section related to the fight against exclusion, the EC recognised the failure of some pupils at school in some geographical ‘areas’. It was ready to reallocate some funding through existing programmes and to embark on new projects such as second chance schools to be installed in deprived areas. These schools would give a second chance to some early-school leavers thanks to new teaching and learning methods coupled with the use of ICT (information, communication and technologies) and the establishment of strong links with the business sector. As we shall see in the next section, these schools would be created in the following years.

The impact of the *White Paper on Teaching and Learning* was stronger than that on *Growth, Competitiveness and Employment*, perhaps due not only to mounting concern about social issues within the EU but also to the easy comprehension of the proposed initiatives or programmes. Most of these would have an immediate impact on a large minority of the EU citizens, especially the young through study exchange programmes or training initiatives. Nevertheless, as unemployment and its social consequences were faced by more and more European citizens between 1995 and 1997, their pressures echoed by their elected representatives, were increasing on the EU policy-makers. It was becoming clear that the sole objectives of the EU on monetary matters (linked to the forthcoming introduction of the common currency, the Euro) were not adequate. In 1997, the overall level of unemployment in the EU reached a peak: almost 11% compared to 5% in the USA or 3.4% in Japan. In other words, most EU countries experienced failure in their fight against unemployment (except the Netherlands and the UK). Unemployment was seen as a threat to the stability of the EU societies.<sup>13</sup> As a result, when the Heads of State and Government of the 15 Member States met in Amsterdam in June 1997, they put the final touches to the new Treaty establishing the EU.<sup>14</sup> For the first time in the history of the EU, a common social objective, employment, was set in the Treaty as early as Article 2. Title VIII of the Treaty collated all articles related to employment (Articles 125-130). For instance, Article 125 emphasised the importance of the promotion of a skilled and trained and adaptable workforce. The European leaders also felt that common guidelines on employment should be established in order to launch a coordinated strategy on employment at the European level. It could perhaps bring better results than the individual country approach implemented until then.

#### *The European Employment Strategy<sup>15</sup> (November 1997)*

The EES collated these guidelines around four pillars<sup>16</sup> and aimed at reaching an unemployment rate of 7% and a level of employment of 65% within five years (*i.e.* 2003). The most important pillar with respect to our paper is that of employability.<sup>17</sup> The idea behind it was to tackle the skills gap, by modernising education and training systems, and by strengthening their link to the workplace, so that all workers, especially jobseekers, were equipped to take on new employment opportunities.

Let us illustrate this pillar by taking two of the guidelines issued by the EC to the Member States: “Tackling youth unemployment and preventing long-term unemployment” and “Easing the transition from school to work”. In the former, for instance, Member States were asked to “offer a new start to every unemployed young person before reaching six months of unemployment, in the form of training, retraining, work practice, a job or other employability measure”. In the latter, Member States were asked to “make sure they equip young people with greater ability to adapt to technological and economic changes and with skills relevant to the labour market, where appropriate by implementing or developing apprenticeship training”.

In most guidelines around the employability pillar, Member States were required to review their education and training systems, job centres or activities-related centres in order to adapt them to the current environment and respond to the current needs of the workforce, the unemployed and firms. These institutions were usually invited to offer more efficient help and/or better skills for the potential workforce (unemployed or pupils or students). It was not an easy task because the institutions of most countries are more or less rigid. However, the sharing of good practice between the Member States helped in the development of new programmes.

As far as the other theme of our paper, social cohesion, is concerned, there is no direct reference to it in the 1998 guidelines, but an indirect reference can be found. In the second guideline, partly presented above, Member States were also asked “to improve the quality of their school systems in order to reduce substantially the number of young people who drop out of the school system early”. As we mentioned in endnote 6, research has shown that young people with low level of educational attainment are more likely to become unemployed than those with medium or high levels of attainment. The Member States were once again incited to implement preventive measures in order to prevent the long-run problems.

As the first signs of this strategy were positive (growth started to speed up and the EU unemployment rate fell to 8%), the Heads of State and Government became optimistic and decided to redeploy the strategy to a greater extent in Lisbon in March 2000.

*The Lisbon Strategy (March 2000)*

At the Spring European Council, the EU leaders pledged to create “the most competitive and dynamic knowledge-based economy in the world by 2010”. This objective could be reached thanks to a series of reforms which would enhance competition in some markets, develop flexible labour markets and strengthen social cohesion. Targets were set and new guidelines given.

If we focus on education and training, the Lisbon strategy encouraged a new approach based on three components: the development of local learning centres, the promotion of new basic skills, in particular in information technologies, and increased transparency of qualifications. Among the targets can be found “a substantial annual increase in per capita investment in human resources” and “the number of 18 to 24 year olds with only lower-secondary level education who are not in further education and training should be halved by 2010”. The Strategy acknowledged how much education contributed to economic growth and how important it is for people’s job prospects and for their standard of living.<sup>18</sup> In other words, investment in education can have beneficial effects on individuals and on nations.

As for social inclusion, the Lisbon Strategy was presented as offering “tremendous potential for reducing social exclusion”. As higher levels of growth and employment were targeted for 2010, social exclusion could come to an end according to this strategy. In the EU context, the best safeguard against social exclusion was a job. The EC was invited to “develop priority actions addressed to specific target groups (for instance minority groups, children, the elderly and the disabled) with Member States”. The lack of precision is striking here for at least two reasons. On the one hand, the meaning of social exclusion was still not completely agreed and the collection of statistics hazardous. On the other hand, the EU could only at best support the development of local actions and help in the collection and diffusion of successful initiatives.

Generally speaking, the Lisbon Strategy is ambitious, as it should be. But if it is compared to the first EES, then the use of excessive rhetoric (as quoted above) and the impressive list of targets or objectives can only leave the reader speechless. Yet, as pointed by Lasselle *et al.* (2005), the ability to innovate is crucial to the Lisbon strategy. Member States promised to make massive



investments in education, R&D and to help spread new technologies throughout the EU. It was hoped that these would foster economic growth, ensure the competitiveness of European products in a globalised world, and create “quality” jobs in a cohesive society. However, following the aftermath of September 11 in 2001, the first results of the Lisbon Strategy were disappointing and some called for a review.

### *Mid-Term Review (2003)*

As early as 2002, it appeared that the investment in human capital and in new technologies in the EU was not as high as expected. For instance, public expenditure on education and the total expenditure in R&D as a share of GDP in the EU had hardly changed and remained below those of the USA and Japan. Investments in knowledge made by businesses were still too low compared to their American and Japanese counterparts. The knowledge gap between EU and its main competitors was widening. In addition, low educational attainment remained a common feature in the EU leaving in doubt the achievement of the targets. Across the EU, in 2003, almost 16% of young people left school early without a basic level of qualification and competencies. Nearly 20% of 15 year-olds had serious difficulty with reading literacy. The statistics were favourable, but not as positive as the EU policy-makers wished.

The Mid-Term Review led to a simplification of the objectives/guidelines with the set of a new medium-term target (2006). These guidelines were issued around three central themes: “full employment”, “quality and productivity at work”, and “social cohesion and an inclusive labour market” (Lasselle *et al.*, 2005, p. 104). Within weeks, this Review was subject to several heated criticisms among academics, economists, journalists and politicians. Generally speaking, the coordination process was seen to have become too complicated, the guidelines too wordy and the collective leadership practically non-existent. Feelings such as policy actions should go back to national level and a better use of microeconomic tools should be encouraged were widely expressed. The EC’s answer was the report of the Employment Task Force (created in April 2003) released in November 2003. The report was a disappointment as it mainly reformulated requirements put forward in 1997.

In recent years, one could say that there have been no new elements in the EU policies in terms of education, employment and social inclusion. Concrete proposals seem to have become less frequent despite the promise of the EU institutions and their representatives to be closer to the EU citizens' concerns. Nowadays, most of targeted statistics are unsatisfactory and reveal growing discrepancies between some EU countries. In addition, the enlargement of the EU in 2004 did not facilitate the application of the Lisbon strategy. It seems to make the achievements of its objectives more challenging, especially those in terms of social exclusion and unemployment. More importantly, some social exclusion pockets have now become persistent features in some EU regions.

#### **4. An Educational Initiative to Help the Poor and the Disadvantaged – the Second Chance Schools**

Briefly speaking, second chance schools aim at offering another educational opportunity to drop-out students<sup>19</sup> through a new form of schooling in 'problem' areas of the EU. This new kind of schooling was envisaged as a way to ease the transition between school and business by bringing them together and to improve the young's employability. Those would in turn be seen as a way to help young people to enter into further training or find a job and avoid the social exclusion trap.

The concept was inspired by similar and successful experiences in the USA and Israel and was explicitly introduced in order "to combat exclusion by offering a second chance through school" defined for a learning society in the *White Paper on Teaching and Learning* in 1995. The surroundings of the concept were atypical for at least two reasons. Firstly, the objective statement was quite unusual (and remains unusual) from a EC publication as it has usually perceived that the best way to combat exclusion is work. Secondly, these schools were initiated and managed by the EC because it wanted to start a concrete project even if it was only a pilot scheme.

##### *The Context*

The insertion of youth in the labour market has been one of the major problems for the different EU Member States in recent years. The level of youth unemployment declined slightly but

remained high. From just above 21% in 1995, it dropped to 19% in 1998. However, these overall figures hide striking discrepancies between Member States. For instance, Spain and Italy showed very high level of youth unemployment (above 30%) for the same years, the Netherlands and Denmark very low levels of around 10%. More precisely, young people with low skills or low educational achievement were more likely to be unemployed. As a result, the policies advocated by the different EU strategies focused on those groups. For example, they were intended to reduce the number of students leaving school early<sup>20</sup> or to ease the transition between school and work.<sup>21</sup>

However, in a society such as the EU which aimed at becoming more and more knowledge-based, the poor achievement of its young, or the high level of drop-out were worrying elements for at least three reasons. Firstly, fewer vacancies would be available for the non- or low-achievers. Alternatively, the vacancies which required skills or knowledge might not be filled. Finally, those who were permanently excluded from the labour market because of their lack of skills or qualifications might become resentful and generate additional problems in these deprived areas. In other words, it could mean that a substantial minority of the society might be permanently excluded from the learning society. In addition, the gap between these members and those who have access to knowledge, qualifications and job opportunities would keep widening. As the EU wanted to be perceived as a cohesive learning society in which this gap should be shrinking, this issue needed to be tackled.

#### *The Origins and Main Characteristics of the Second Chance Schools*

In the *White Paper on Teaching and Learning*, the second chance schools were presented in a very simple manner (EC, 1995, p. 62). The objective was to “provide youngsters excluded from the education system, or about to be, with the best training and best support arrangements to give them self-confidence.” The provision of this training would be given within these new education pilot structures located in deprived areas and organised around the needs of these young and their local environment. The EC was ready to give some indirect financial support these, but the Member States and local authorities were asked to provide most of the support.

Expression of interest in the scheme was huge (around 300 between 1996 and 2000). Member States had to select the best projects in their own countries. A total of thirteen pilot schools<sup>22</sup> were given the go-ahead by the EC between 1996 and 1999. They were different from one another because of their local environments and national specificities, but they had some common characteristics:<sup>23</sup> (1) a strong partnership with the local authorities (social services, associations and employers), (2) an approach focused on the student-trainee and their individual needs, flexible teaching and practical training in and by enterprises, and (3) use of extra media and new technologies.

The strong partnership with the local authorities was required as they helped in the allocation of teachers, social workers and in the provision of training. Indeed, once the young were integrated in the school, they were supposed at some stage (and for a certain period) to go on work experience or receive a form of training in a local firm.

The trainees benefited from new learning and teaching methods and would be asked to play an active role in their studies which would alternate or integrate their work experience. Their individual needs were taken into account to the greatest extent possible and the teaching was to develop their basic skills (numeracy, literacy, social skills and so on) The period spent in the school varied between schools and could be more than a year.

Finally, the use of information technologies and media in the learning and teaching process was compulsory.

#### *The Role of the EC between 1996 and 2000*

The EC had a sort of managing role in this scheme. It provided assistance for each school, coordinated their actions and promoted their exchanges of ideas and their communication. It helped to establish an independent European association for the second chance school pilot projects. However, it must be pointed out that the EC was not responsible for financing these projects – although most schools received grants from the European Social Fund.<sup>24</sup>

### *The Results*

The first results were encouraging. In the period analysed by the Report (2001) 1997 – 2000, almost 4000 trainees-students enrolled in these schools.<sup>25</sup> Almost half of them were still within the system,<sup>26</sup> and only 6% dropped out. This very low drop-out rate was remarkable. Indeed, most of the young had accumulated problems (poor health, fragile psychological conditions, unstable family backgrounds, unemployment and so on) prior their school entry and all had failed in traditional schools. The second chance schools helped them to solve some of their problems. The young regained self-confidence and self-esteem thanks to the work experience and the acquisition of basic skills, modifying eventually their life prospects.

The Report also explained that the schools were all well integrated in their area. They were successful in establishing local partnerships, in particular with employers, and developed strong teaching and learning resources. To summarize, the presence of these successful schools in areas where failure at school was a regular feature had a positive impact in the local community.

However, there are at least three negative features. Firstly, these schools required lots of resources in terms of teachers (almost 6 pupils per teacher against 12 pupils per teacher in normal education), computers (almost 4 pupils per computer against about 28) and money (about 7900 euros per pupil against an average of about 4700 euros). All schools were pilot projects, relying on local, regional, national funds and the European Social Fund. It was up to these authorities to provide additional funds to make the schools survive after the end of the pilot period and it was not going to be always the case. Some schools would close down at the end of the pilot period (for instance Catania in Italy), others would close a few years later due to lack of funding (Leeds in the UK in 2005). In Greece (and to a lesser extend France), the concept would be slightly changed (in order to reduce the costs), but these schools would nevertheless flourish thanks to national and/or regional funding and strong community support. Secondly, it remained the case that this project was very small with respect to the scale of the problem. The overwhelming majority of the disadvantaged would not be affected by the development of these schools. Finally, they were simply pilot-schemes.

## **5. Concluding Comments**

This paper presented the concept of second chance schools in the evolving context of the coordinated actions in terms of education, employment and social inclusion in the EU. The main objective of these schools was to foster the employability of young disadvantaged people through new teaching and learning methods and partnerships with local authorities and employers. As this paper demonstrated, education, employment and social inclusion have been regular themes in the agenda of the EU (especially that of the EC) for the past fifteen years. However, the way to manage these themes has changed. From a soft coordinated approach mainly focused on the fight against unemployment, the EU has moved towards a more voluntary coordinated one with multiple economic, social and environmental objectives. At a first glance, the concept of second chance schools seems to fit perfectly the agenda. We pointed out that it was not the case for a few reasons. Firstly, the attitude with respect to social inclusion slightly changed. Nowadays, government policies also make the effort to prevent social exclusion rather than simply cure it. The second chance school could prevent social exclusion by giving better opportunities or skills to already known disadvantaged young. Social inclusion was not directly linked to jobs. Secondly, it was the EC who initialised the project and more or less controlled it at the beginning. For such local actions, it is unusual to see the EC being involved to that extent. Finally, the needs of local communities and those of the selected youth were carefully taken into account. This involved a concrete action and not a wordy guideline. This unusual combination of factors led to success in the first few years. However, as time went by and support of the EC decreased and that of the local authorities turned towards other projects or projects involving a larger number of people, some second chance schools ran into difficulties. The lack of political willingness to pursue these projects and the lack of additional funding eventually undermined the programme. Nevertheless, most of the schools are still open in one way or another and provide help to some young people living in some of the most deprived areas of the EU.

## **6. Notes**

1. In the same period, the number of Member States went from 12 to 25. In 1993, the Member States were Belgium, Denmark, Germany, Greece, France, Ireland, Italy, Luxembourg, the Netherlands, Portugal, Spain, and the United Kingdom. In 1995, Austria, Finland and

Sweden joined the EU. In 2004, it was the turn of Cyprus, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

2. “Social exclusion has become a ‘buzz’ word in political discourse, particularly that of the European Commission (...). Origins of the term derive from the idea of society as a status hierarchy comprising people bound together by rights and obligations that reflect, and are defined with respect to, a shared moral order. Those excluded from this moral order often experienced marginalization in terms of employment and their relationship with the state.” Barnes (2002, p. 5). “Towards the end of the 1980s, people working on policy and in the community (...) in all the Member States, began to see differences in the ways disadvantage was being created and experienced. “Poverty” was no longer the right word. The phenomenon was not simply related to material wealth, or lack of it, but involved a complicated interaction between – wealth, certainly – but access to social rights, attachment to the labour market, the strength of informal networks.” (EC (1994)).

Social exclusion can be defined as residing in a workless household. It can be measured from the risk-poverty rate after social transfers (the share of persons with an equivalised disposable income below the risk-of-poverty threshold – which is set at 60% of the national median equivalised disposable income).

3. According to the gateway of the EU, the EU’s decision-making process in general involves three main institutions: the European Parliament which represents the EU’s citizens and is directly elected by them, the Council of the EU which represents the individual Member States, the European Commission which seeks to uphold interests of the Union as a whole.
4. The first initiative was done by a group of academic economists (Malinvaud-Drèze (1994)). Their main contribution was to stress that economic policies (budgetary, monetary and income policies) should be coordinated at the level of the European Union.
5. Some proposed policies are issued from the Malinvaud-Drèze’s proposal.

6. Among others, Furlong (1988) explained that “Unemployment (...) has a tendency to be concentrated within families due to the role of education in the social reproduction of inequality. There is a strong link between the level of education certification achieved by young people and the types of work they are likely to find upon leaving school or colleges. Young people with poor educational attainment have an increasing chance of becoming unemployed. The same link can be said between low social class and poor education achievement. Parents of those without jobs were less likely to have enjoyed an extended education themselves. As a result, they may not have been in a position to advise their children on the benefits of post-compulsory education.

In COM2005(14), the European Commission stressed that “children who grow up in poverty are more likely to suffer from poorer health, do less well educationally and are at higher risk of future unemployment and of anti-social behaviour”.

7. It is nowadays admitted that the overall GDP growth in the EU is not sufficient to create jobs. It is seen as a favourable element in this creation.

8. The annex is usually known as the Agreement on Social Policy.

9. The Treaty is known as the Maastricht Treaty.

10. “One of the central issues this White Paper seeks to answer is how best to use education and training to commit European countries to a process of job creation, whilst taking control on the internationalization of the economy and the arrival of new technologies” (EC, 1995, p. 30)

11. “Building-up a broad base of knowledge, i.e. the wherewithal to grasp the meaning of things, to understand and to create, is the essential function of school. (EC, 1995, p. 7).

12. Employability was then not well defined and referred to different concepts, including the paper qualification, training and/or retraining, acquisition of new skills or life-long learning.



13. See Presidency Conclusions (1997).
14. The so-called Treaty of Amsterdam.
15. For more information, refer to Lasselle *et al.* (2005).
16. The titles of each pillar were respectively: Improving employability, Developing entrepreneurship, Encouraging adaptability in businesses and their employability, Strengthening the policies for equal opportunities.
17. “Employability is about jobseekers. This word encapsulates what I believe to be the most important ambition of the whole strategy. Employability is about investment in human resources. It is about a new active policy, to replace the passive policies of the past. It is about a more inclusive policy, building on early identification of individual needs and early action, to prevent the drift into long-term employment.” Larsson (1998).
18. Commission Staff Paper (2003, p. 17)
19. Drop-out students are defined as young people who have left school without obtaining a secondary level degree. They lack skills and qualifications and therefore have difficulties to enter further training or to find a job.
20. In the Lisbon Strategy, the number should be halved. In 1995, the percentage of early school leavers (age 18-24) in the EU was above 21%, in 1998 almost 24%.
21. See the employability pillar and its following reformations.
22. In 11 countries: Germany (2 schools), Denmark, Spain (2 schools), Finland, France, Greece, Italy, the Netherlands, Portugal, Sweden and the UK
23. See EC (2001, p. 6) for more details.

24. According to the gateway of the EU, between 1994 and 1999, it transferred ECU 47,000 millions. ESF seeks “to provide an effective and flexible response to the varying labour market changes facing the European Union. It not only contributes to bridging the gap between people, but also between the wealthier and less advanced regions in the European Union”. Among its main priorities can be found: combating long-term unemployment and exclusion from the labour market; helping young unemployed to enter the labour market; or improving education and training systems.
25. “Schools often have to search very actively to identify and enrol these young people, sometimes taken them in from the street with the help of neighbourhood workers” Report (2001, p. 22).
26. In 1997, only four schools were open. In 1998: 7; 1999: 11 and 2000: 13.

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