

# **A PROPOSAL OF MODEL OF ANALYSIS OF THE TRANSITION FROM SCHOOL TO ACTIVE LIFE OF ECONOMISTS BASED ON INTER-REGIONAL LABOUR MARKET PARTNERSHIP. STUDY CASE OF PRACTEAM PROJECT**

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*Abstract: In the last years, the integration of young people into the labour market has become more difficult, being accomplished in a gradual, complex and less uniform way comparatively to the years prior to the crises. The rate of youth employment is much lower than among other categories of population, and the insertion of young people on the labour market has become a difficult process, both in Romania and in the European Union, process that is characterised especially through raising the period of time passed from the moment of graduating from school to the moment of finding the first 'significant' workplace (for at least six months and with a length of at least 20 hours of work per week), preferably, from qualitative point of view, in accordance to the qualification obtained. In this context, in order to analyse the way in which the integration of young people into the labour market is done in Romania, the present paper makes, in the first part, a short theoretic incursion regarding the main theories referring to youth employment, transition from school to active life and, more specific, transition from higher education to employment, the main determinants of the transition from school to active life and the way in which the process is affected by the tendencies on the labour market, the ways of measurement and evaluation used up to the present etc. In the second part, the paper tries to propose a research methodology of the transition from higher education in the field of economics to employment, analyse that will be carried out in the project called „The practice of economist students. An inter-regional partnership on the labour market between universities and the business environment” (PRACTeam) in the purpose of creating policy and strategy recommendations for diminishing the difficulties felt by young people in the process of transition from school to active life.*

*Key words: transition from school to active life, transition from higher education to employment, integration of young people into the labor market, youth employment, labor market*

*JEL Classification: J01, J08, J18, J21, J44, J64*

## **Conceptual framework regarding transition from school to active life and labour market insertion**

The relative high rate of unemployment among youngsters, comparative to the rest of categories of active population, especially in the last period, determined the rise of preoccupations for the analyse of the young people labour market, the factors that influence their employability, the factors that determine a simplification of the transition from school to active live, from the young people, involved in a form of education, to the adult who wants to join the labour market.

Literature examines the transition from school to active life and *transition from higher education to employment closely with labour market insertion or integration of young people into the labour market and youth employment or unemployment* (Cardosa, 2004; Hill and Holzer, 2006; Tovatt, 2011; Bell and Blanckflower, 2011). The analyses taken so far are in correlation with aspects referring to: demographic evolution, behaviour of young people, incomes obtained during their studies, experiences during diverse forms of education, family's incomes, social networks that the young people can benefit of, the way in which transition to the adult life is affected by the tendencies on the labour market, etc.

In this context, our concern is to identify the main determinants of transition from school to active life, the main transition models, the influence of the organising way of the educational system and the extent to which this system manages to contribute to the insertion of the youngsters on the labour market, which are the methods of measurement and identification of training needs of young people in order to simplify the transition from school to active life, in order to construct a model of analysis and interpretation of the transition from school to active life and insertion of young people on the labor market.

The literature defines the *transition from school to active life* as the process of transition from a young life comprised in a form of education to independent living, where young people gain first experiences of professional integration, no matter if they have completed studies or not (Garcia, 2007:27 cited by Pirciog et al., 2010:75). On the other side, the insertion on the labour market represents an indicator of passing to the adult life, through independent living, marriage, the decision of having children etc., determined by the finding of a workplace after graduating from school (Hill and Holzer, 2006). This process that, in the last years, has become more ambiguous is realised most of the times in a gradual, complex and less uniform way, being influenced by the replacement of the classical, direct transition model – in which school and labour succeeded, with a model of indirect transition in which school and labour can alternate for certain periods of time and can complete even with periods of inactivity and unemployment.

Knowing this aspects, our approach will try to analyse the *transition from school to active life from the perspective of youngsters insertion on the labour market*, especially of higher economic studies graduates, being preoccupied with predilection of the way in which economic students, respectively higher economic studies graduates, from the North-West, West and North-East regions, respectively counties Bihor, Timiș and Suceava, manage to integrate on the labour market.

During the time, transition from school to active life from the perspective of the insertion on the labour market raised the formulation of some theories as well as some models of transition that try to explain the way of its accomplishment. The main theories regarding the insertion of youngsters on the labour market are: *the theory of human capital* (Becker, 1964), with accent on the analyse of the behaviour towards education and the implications that result on the labour market through wage differences between different levels of training; *the theory of competition for a workplace or the „job-competition model”* (Thurow, 1975), that emphasizes the defensive importance of education in finding a workplace as well as the level of compatibility of the qualifications provided by the educational system; *the „job search theory”* (McCall, 1970; Mortensen, 1970), that focuses on the study of behaviour of individuals during the period of searching for a workplace, the analyse of the way in which the decision of acceptance or rejection a workplace is taken, influenced especially by the level of the wage offered of diverse firms; *the „insider – outsider” theory* (Linbeck and Snower, 1988), based on the distinction between employed (initiated) and unemployed (uninitiated), those being the ones that are looking for a workplace, and among them, the biggest part is represented by young people that graduated from a school but do not have experience and enter into the competition of finding a workplace with those who have experience and who have or have had a workplace.

The insertion of youngsters on the labour market, besides the characteristics of national economies, depends on the way in which every country manages to make an institutional connection between the educational system and the work force occupation measures. Also, it matters the way in which the educational system makes a distinction between university education and vocational education. In this direction, many countries offer a general education, in which competences acquired by graduates are not necessarily in direct link with the competences necessary by the future workplace, and the vocational preparation is done at the workplace. In other countries, the forming of competences specific to the targeted workplace is obtained through the educational and training system (Velden and Wolbers 2003). In this way, generic models identified in the special literature are: *the Japanese model*, based on a direct tradition: school education – work, based on training at the workplace; *the German model*, dual system in which theoretic forming combines with practical training; *the French model*, based on a training in the school environment, *the American model* - in which common training represents a fusing between the theoretical and practical education (Ehlert and Cordier, 2002). Out of those, the model that best succeeds to integrate youth on the labor market is *the dual model* where education and practice take place simultaneously and allows the student to be initiated (insider) on the labor market during the studies (Velden and Wolbers, 2003). This model is applied in Germany, Austria, Luxembourg, Netherlands, Denmark and Sweden, and the educational system has very close links with business organizations, with benefits for all three parties involved: for students – it helps increase the employment opportunities (82% of German higher education graduates find employment within six months after graduation), for programs offered by universities and companies by maintaining direct contact with graduates who can become future employees (Mickovska-Raleva, 2010).

In addition, the insertion of young people on the labor market is closely connected with the degree of standardization and stratification of the educational system. The degree of standardization means uniform national education system, which allows a comparison of the quality of educational programs offered by various universities, and the stratification is the degree to which education gives young people the possibilities to choose different career path during studies. In then countries where the degree of standardization and stratification is higher young people are integrated quickly on the labor market (Velden and Wolbers, 2003).

#### **A model of transition from school to active life for students in Economic Sciences based on labour market partnership: PRACTeam project study case**

The project called *'The practice of economics students. An inter-regional partnership on the labor market between universities and business environment'* (acronym PRACTeam), co-funded by European Social Fund -"Invest in people, "Human Resources Development Operational Programme 2007-2013, Priority Axis 2" Linking lifelong learning and labor market", key Area of Intervention 2.1 "Transition from school to active life", contract POSDRU/90/2.1/S/64150, total value of the project: 20,941,500 lei, period of implementation: 01.10.2010 - 30.09.2013, has the overall goal of developing the economist students employment skills during the practical training and internship, conducted in inter-regional partnership on the labor market between universities and businesses in order to improve the insertion of economists on the labor market. Among *the specific objectives* of PRACTeam project are included: increasing the employment of graduates of Bachelor degree programs and master programs in economics, the promotion and development of an inter-regional partnership between universities on the labor market, on the one hand, and business, on the other hand, to facilitate transition from school to active life of the future economists; the development and promotion of some partnership regarding the practice and internship programs customized for each student and innovative for each host organization; increasing the interest and responsibility of the business environment for student practice by

developing and promoting staff training of employees of the host organizations with role of tutors, and by organizing exchanges of experience and dissemination of good practices.

The PRACTeam project addresses a number of 2430 students and 486 tutors in enterprises in the three counties involved: Bihor, Timis and Suceava, grouped into three target groups. The first target group consists of 486 people from the host organization responsible with the activity of practice having the role of tutors. This involves in every county a number of 162 tutors in enterprises, 54 tutors each year of implementation who are trained to assist students in practice activities. For this target group the project aims to improve skills tutorials in order to support students in the transition from school to active life. The second target group comprises students from the first cycle of studies and consists of 1620 students that are going to conduct practical training in the three counties included in the project (Bihor, Timis and Suceava). This concerns in every county a number of 540 undergraduate students, 180 students each year of implementation, drawn from the partner university centers, beneficiaries of practical training module and of the customized module of advice and guidance in career that includes aptitude testing for career guidance. For this target group the project aims to increase skills levels and increase practice employment skills. The third target group consists of 810 students in second cycle of studies, which also benefit from the module of practical training and the custom module of counseling and career orientation including aptitude testing for career guidance. This concerns in every county a number of 270 persons, selected from the partner university centers, giving a total of 90 graduate students annually at the level of the three counties. For this target group is also intended to increase skills levels and increase practice employment skills.

In terms of *methodology of implementation*, all project activities are carried out symmetrically in three counties in the area of implementation concerned, namely the local level. Thus, the first six months of each year of implementation of the project are dedicated to training the practical stages in each partner university: establishment of dispatch of practice - PRACTeam Center, identification and selection of target groups, facilitated by the organization and conduction of the PRACTeam campaign as a fair of offers of practice and internship and the renewal and completion of new partnership agreements for the practical training; the identification of training needs through PRACTeam Workshop of practice, training the tutors and training-support materials for the practical training - Manual of the tutor, student, etc. Practice Guide, attending the counseling and career orientation module by the students selected and aptitude testing of students. Last six months of each year of implementation of the project are dedicated to making the practical stages, evaluation and awarding students that prepare and conduct internships.

Upon completion of practical training, in each year of implementation, will be organized the PRACTeam Gala within which will be held the Round Table "*Experience and Good Practices PRACTeam*" – where will take place an exchange of experience and dissemination of best practices on the practical training, the presentation of experience and presentation of results and future exploitation opportunities and takes place *The contest of ideas for improving the activity of the host organization of the practical stages*. Basically at PRACTeam Gala will also present and awards at inter-regional level the best ideas for improving the activity of the host organizations, will be awarded three prizes (I-III) at inter-regional level - one students from the three partner universities and 18 prizes for the best results - will be awarded the best student / specialization (6 students x 3 partners) and will be announced the students who will benefit from internships stages.

Carrying out the PRACTeam project will allow us to establish an inter-regional education research, formation, training and communication network, and to establish an inter-regional database. In addition, the proposed project is a model of organizational practice and internship for students, which will significantly contribute to changing attitudes and increasing of the responsibility of the business environment, university and students towards the practical training.

## **Conclusions: a proposal of model of analysis of the transition from school to active life of economists**

Without denying the importance of other determinants of the transition from school to active life, such as: social status of young people, individual characteristics, social networks whom he has available, socio-economic context in which they live, restructuring and economic developments of the country, diversification opportunities and potential professional trajectories of increasing geographical mobility, we consider relevant to us as potential mobilizing factor in the growth of *young people insertion on the labor market*, the focus on the following courses of action: *the analysis of educational programs in economic higher education* from 3 Romanian universities: Faculty of Economic Sciences - University of Oradea, Faculty of Economics and Business Administration - West University of Timișoara, Faculty of Economics and Public Administration - „Ștefan cel Mare” University of Suceava, qualifications and skills which a young people can achieve by following programs of study offered by these faculties at Bachelor and Master level and how to choose and identify the career path; *the analysis of the youth labour market* at regional level in 3 development regions of Romania: the North, North - West and North - East, focusing on the following 3 counties: Bihor, Timis and Suceava, assessing the employment potential for graduates of economic higher education; *the analysis of the transition from school to active life* of university graduates in Economic Sciences, at regional level, in the 3 development regions of Romania: the North, North - West and North - East, focusing on the following 3 counties: Bihor, Timis and Suceava and the identification of the determinants of transition from school to active life.

The three directions of action will focus on analyzing the following target groups: *3 faculties of Economic Sciences* from 3 Romanian universities: University of Oradea, Faculty of Economics, University of West Timisoara, Faculty of Economics and Business Administration and "Stefan cel Mare" University, Faculty of Economics and Public Administration; *150 host organizations for student practice* in the 3 counties of Bihor, Timis and Suceava; *486 practice tutors* employed in the host organizations for student practice and trained for supporting students for *labour market insertion* in the 3 counties of Bihor, Timis and Suceava; *2430 students in Economic Sciences* supported for the *transition from school to active life* enrolled in undergraduate and master programs of the 3 universities: University of Oradea, Faculty of Economics, University of West Timisoara, Faculty of Economics and Business Administration and "Stefan cel Mare" University, Faculty of Economics and Public Administration.

For each course of action we propose to complete a specific research methodology, including *quantitative* and *qualitative* approaches with specific research tools. The final study - ***Transition from school to active life for students in Economic Sciences of the Bihor, Timis and Suceava counties*** through PRACTeam project during 2010-2013 will be structured as follows: **1. youth labor market diagnoses of the Bihor, Timis and Suceava counties focused on economic higher education graduates employability** (analysis of economic indicators related to employability: employed population by age and economic activity, employment by level of education, youth unemployment rate, percentage of graduates in economics in total number of graduates, share of students enrolled in the economic profile etc.); **2. needs identification for practice stages for students in Economic Sciences of the Bihor, Timis and Suceava counties** (research based on the *survey of the structured questionnaire applied to students* which has benefited practice stages in different systems, *focus - groups* organized at county level, *workshops* organized at county level etc.); **3. a model of transition from school to active life for students in Economic Sciences based on labour market partnership** (PRACTeam project study case, including presentation of students awarded for results in practice stage and for ideas to improve the host organization's activity, *round tables* organized at inter-regional level, research based on the *survey of the structured questionnaire applied to practice tutors*, open structured interview applied to

managers of practice host organizations etc.); **4. impact evaluation of transition from school to active life for students in Economic Sciences based on labour market partnership** (research based on the survey of the structured questionnaire applied to graduates which has benefited practice and internship stages through PRACTeam project).

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