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Improving Transition from School to Active Life: What Contribution of the European Social Funds

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Abstract

The paper objective is to assess the impact of the ESF additional funding for transition from school to work schemes. The paper will explore, in particular, the added value of the European Social Fund in funding students' internships in Romania in terms of number of students benefiting of transition from school to active life schemes, students' expected benefits and labor market insertion. The paper is based on the assumption that internships are significantly improving students' learning outcomes considering that internships give to the students the opportunity to see through personal learning experience [1] and they are a viable tool in obtaining the first employment. Based on this, it is expected that additional funding to support students internships should lead to increased recent graduates insertion rates and shorter period for their first job. Under 2007-2013, about 0.3 bill Euro were allocated to support transition from school to active life projects of which benefited over 260,000 persons. Since official data about the labor market insertion of the ESF support beneficiaries are not available, it is limiting the in depth analysis of the effectiveness of the ESF support to specific cases.

Keywords: *Internships; European Social Fund; transition from school to active life.*

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1. Introduction

The paper objective is to assess the impact of the ESF additional funding for transition from school to work schemes. The paper aims at revealing the added value of the European Social Fund in funding students' internships in Romania in terms of number of students benefiting of transition from school to active life schemes, students' expected benefits and labor market insertion. The paper is based on the assumption that internships are significantly improving students' learning outcomes considering that internships give to the students the opportunity to see through personal work based learning experience [1] and they are means of gaining a competitive edge in the marketplace [2], since they are a viable tool in helping student to obtain their first employment [2].

Existing literature [3] reveals that quality internships need adequate funding for proper development and organization. The European Union recommend increased investments to enact internships schemes to support young people transition from school to active life, to help them find relevant job experience and initial employment. To this end, since 2007, the European Social Fund (ESF) became an effective tool, in the European Union, to provide adequate funding for transition from school to active life schemes, in particular for students internships.

For the last 12-14 years, Romanian universities have been expressed increasing interest for student internship programs with the aim of facilitating their students' transition to active life and their first insertion in the labour market. Romanian universities and schools have used the ESF funding in support for better internships and increased student participation to work based learning. Despite of the increasing interest for development of internships and activities facilitating transition from school to active life, limited work has been done in Romania in relation with the funding issues (including ESF support) of internships to better contribute to students' employability and labor market insertion. It is the aim of this paper to assess the impact that ESF funding for transition from school to active life. This paper explores, in particular, the added value of the European Social Fund in funding students' internships in Romania in terms of: number of students benefiting of ESF funded internships and related activities to support transition from school to active life schemes and ESF contribution to improved quality of internships and to students labor market insertion.

2. Theoretical Background

Internships are work-based learning activities which may be part of the university curricular design as part of the student's formal education [4] or they may take place outside of formal education [4, 5] before graduation, as well as after graduation during which a person spends a period of time in an enterprise or organization to acquire job related specific skills and competencies required by employers [4, 5].

The internship programs have a significant influence in the students' further career development since they are providing the opportunity to students to see through personal work based learning experience what are the job related requirements in a certain company or industry [6] and to gain practical experience. Internships supplements the theoretical knowledge delivered in formal education through coursework [7] with practical experience obtained through work based learning in companies. Internships provides the opportunity to the students to integrate the knowledge acquired in formal classroom education into the reality of the specific jobs and industries [8, 9].

Internships became a good tool to support faster insertion in the labour market [2], enhancing employability of students by contributing to the development of job specific competencies and soft skills which are not traditionally delivered within university formal education [5]. Work based learning embedded in internships programs contribute to a smooth transition from education to employment and enhance the chances of recent graduates and young people on the labour market [10].

The quality of internships is crucial for achieving employability goals. For quality internships it is essential to ensure that both schools/universities and the host organizations have the necessary funding to make the specific tools and their resources (academic supervisors, mentorship, technology, equipment etc.) available to interns/students to complete all the tasks they were assigned. Consequently, quality internships need adequate funding for proper development and organization.

Romanian universities and schools have used the available funding from European Social Fund (ESF) in support for better internships and increased student participation to work based learning. It is the aim of this paper to assess the impact that ESF funding in support for transition from school to active life schemes. The paper is exploring, in particular, the added value of the European Social Fund in funding students' internships in Romania measured in terms of: number of students benefiting of transition from school to active life schemes, contribution to improved quality of internships, students' expected benefits and labour market insertion.

Even if there is work done in Romania on the internships, most of them address the influence of internships on students future career choices or quality related issues [11], but there is no work done to address the funding issues of students internships. Also, in Romania, there is good work done on the added value of ESF funding, but most of them are focusing on human capital in rural areas [12] or absorption [13], but work on the added value of ESF funding for increased students' participation to quality internships and their future employability has not been conducted yet, even if, at EU level, official have been highlighted the importance of the funding issues to deliver relevant work based learning and transition from school to active life schemes to enhance young people employability.

This is why, we consider that the main findings of this paper (assessment of the ESF contribution during 2007-2013 period to transition from school to active life quality programs) could be used by university management as inputs for adequate prioritization of their objectives and financial resources to deliver quality internships to students and to make best use of available ESF funding during 2014-2020 programming period to increase their students' employability and labour market insertion.

3. Argument of the paper

Quality internships are highly valued as tools to ensure effective transition from school to work and to enhance the employability of young people. Therefore, the European Union officials recommend increased investments to enact internships schemes to support young people transition from school to active life, to help them find relevant job experience and initial employment [10]. Quality internship programs (defined in terms of work based learning content and outcomes) are dependent on good cooperation between academic supervisors, on the one hand, and employer/host organization tutors/mentors, on the other hand. Existing work [3] reveals that, among other factors, the quality internships is dependent on financial planning and resources available. To this end, since 2007, EU officials recommended to the Member States to “*make effective use of the European Social Fund (ESF) to provide adequate funding for transition from school to active life schemes, in particular for students internships*”[14].

Expected added value of ESF funded projects to quality internships in Romania during 2007-2013 programming period as defined in terms of:

- Delivery of good practices and lessons for quality internships organization which were integrated in the relevant framework, in particular prior to 2011;

- Increased students' participation to quality internships leading to increased employability and faster labor market insertion of recent university graduates.

The main indicators be used to measure the ESF contribution to the improvement of students' internships consist of:

1. *Available ESF funding used* – this indicator will: a) quantify the ESF expenditures made for students' internships projects as share of available ESF funding available under SOP HRD 2007-2013; b) evaluate the effective absorption of ESF funding (measuring total EU reimbursements/payments against ESF allocation for 2007-2013)
2. *Beneficiaries of internships under ESF funded projects* – the indicator quantifies the number of students benefitting of internships under ESF funded projects; in depth analysis of this indicator could also cover the following issues: a) the effectiveness of ESF support by measuring supported students against SOP HRD target; b) ESF added value measured under the form of improved participation as compared to the absence of ESF funding and improved tools for internships organization for university management and employers;
3. *Students' employability* – this indicator will assess the employability of ESF funded internships, namely the share of employed students within 12 months after the ESF support.

As research method, we used the data processing of information obtained from a secondary analysis, in particular analysis of the information contained in official reports and statistical data. The calculation of indicators will be based on official statistics on EU structural absorption SOP HRD 2007-2013 and other relevant programming documents, SOP HRD 2007-2013 Implementation Reports and Evaluation Reports.

We expect that the ESF funding available during 2007-2013 to contribute to increased participation of students to internships, improved learning outcomes for students fostering their employability.

4. Arguments to support the thesis

In Romania, at present, internships programs are part of the compulsory university curricula, for the bachelor cycle, aiming at to deliver work based learning experience to their students. Prior to the enforcement of the 2011 Education Law, event internships were part of the academic curricula, the university management did not significantly participate in the

organization of students internships nor other transition from school to active life schemes, the academic involvement being limited to the definition of the learning content of the internships to meet the educational objectives and quality assurance minimum requirements. Basically it was the responsibility of the students to find the host organization where the internship take place, while the academic supervisor provided limited support to ensure that the minimum academic requirements related to the internships are met. Following the enforcement of the Education Law (in 2011), the value of internships for increased employability has been recognized. To this end, university management has become responsible for organizing quality internships, being legally required to develop sustainable partnerships with the industry to ensure at least 30% of the placements for its students.

Internships are also part of the compulsory curricula in case of vocational education and training (VET) providers which are responsible for developing institutional partnerships with the industry to ensure internships to their students.

To ensure quality internships, universities and VET schools are required to ensure adequate funding to support the development of relevant tools to ensure relevant leaning content and working experience for increased students' employability and labor market insertion; to this end, European Social Fund provided good funding for students internships in Romania.

During 2007-2013, ESF provided funding under two Operational Programs (OPs), namely the Operational Program for Administrative Capacity Development (OP ACD) and Sectoral Operational Program for Human Resource Development (SOP HRD). SOP HRD 2007-2013 was an important tool supporting investments in human capital [15]. SOH HRD 2007 – 2013 aimed at linking education and lifelong learning with the labour market needs as a key tool to support increased opportunities for future participation on a modern, flexible and inclusive labour market for 1,650,000 persons” [16]. During the 2007-2013 programming period, SOP HRD addressed specific priorities and needs of the education system in Romania [15]; the ESF supported projects for improved transition for students from school to active life [15] and increased employability and labor market of recent graduates under Key Area of Intervention 2.1. ”Transition from school to active life”. SOP HRD 2007-2013 - Key Area of Intervention 2.1. ”Transition from school to active life”, had a total allocation of about 300 mill EUR (of which 286.96 mill EUR representing ESF allocation) [16] to fund internships for students, work based learning programs and other forms of transition from school to work schemes to improve employability

and labor market insertion of young people [16]. To this end, most of the actions funded under SOP HRD focused on improving the quality (in terms of learning outcomes, development of employability skills etc.) and on increasing students' participation to work based learning.

Until 2011, ESF support available under SOP HRD 2007-2013 provided the financial resources needed for both the development of the internships quality framework (specific tools for internship organization, including development of academic supervision and tutoring tools, tutors' training, development and enlargement of university – industry partnerships) and for students increased participation to internships (including financial support for students during the internship duration, mentorships and other forms of support). After 2011, the ESF funded projects were built upon the integration of the outcomes and best practices on internships frameworks delivered under previous ESF projects. The improved internships tools and university – industry partnerships delivered under previous ESF funded projects were integrated in the new projects to support increased participation of students to quality internships. To increase the ESF added value for students' employability, after 2011, actions for delivery of quality internships and relevant work based learning for students were complemented by guiding and counseling.

Under SOP HRD 2007-2013, transition from school to active life schemes were eligible for funding under Priority Axis 2, respectively under - Key Area of Intervention 2.1."Facilitating transition from school to active life with a total public allocations available of 0,337 bill EUR of which an ESF allocation of 0,286 bill EUR ([16] corresponding to a total public allocation of 1,501,128,708 RON of which an ESF allocation 1,273,742,749 RON (Inforeuroexchange rate, December 2015)[17]. Main activities eligible under KAI 2.1 covered internships and guiding and counseling for students' further career development.

The effective use of structural funds is measured by the absorption rate which is calculated as total EU payments against allocations for the reference programming period. The effective use of the ESF allocated for the 2007-2013 period remained low: Romania was the second worst performing member state with an ESF absorption rate of 69.3% [18]. The absorption rate under SOP HRD 2007 – 2013 was of 67.04% [19] even lower than ESF overall absorption rate. In case of Priority Axis 2 under which internships were eligible for funding, the use of ESF funding was even lower: the absorption rate of 60.73% [19] indicates that funding available was partially used by eligible beneficiaries in support for internships and work based learning schemes to improve the relation between educational and training systems and labor market needs. Universities as

eligible beneficiaries performed better in using ESF to fund students' internships. Under KAI 2.1, there were contracted 490 projects of a total of which 186 projects were submitted by universities (own calculations based on official data available at Ministry of European Funds) [17]. Projects contracted by universities to fund internships and students' employability have sum up a total public funding of 569,897,107 (corresponding to RON an ESF funding of 521,836,475 RON) representing over 30% of total allocations for the respective KAI (own calculations based on official data available at Ministry of European Funds) [17]. The SOP HRD public funding (ESF and Romanian government contribution) effectively used by universities for students' internships and employability was estimated at 483,888,160 RON [20] which is corresponding to a absorption rate of about 85% (calculated against public component of the contracted budgets of the projects funded for universities under KAI 2.1). Based on the data presented above, the universities have used 483,888,160 RON of the SOP HRD 2007-2013 allocations to fund students' internships (SAR Report, 2017). According to available data, SOP HRD 2007-2013 average unit cost for internship specific activities, per person, was estimated at 5,656 RON, while the unit cost for specific internship activities was significantly lower 2,128 RON in case projects implemented by schools and universities [21]. Official data about the schools' and universities' unit cost and total budgets spent for internships and relevant transition from school to work activities are not available prior to 2007. Reliable data about funding and costs associated with internships are available only for SOP HRD 2007-2013 interventions. This is limiting the added value of our work since the effects of the ESF additional funding available during 2007-2013 cannot be assessed by reference to a baseline value of the available budget and costs prior to 2007.

The ESF additional funding under SOP HRD 2007-2013 contributed to increased internships opportunities of which 260,261 persons (university students and high schools students) have benefitted of the respective ESF funded internships programs [19]. The number of beneficiaries of internships exceeded the SOP HRD target of 150,000 persons. Also, ESF funding has contributed to increased employability of the students benefiting the internships: about 69.34% of the students get employed or continued in further education and training in 12 months after completing the internships [19]. In terms of employability ESF funding effectiveness is observed since, the results obtained exceeded the MA SOP HRD target of 65% of the students benefiting of internships to be in employment of further education at the completion of the ESF funded internships.

In case of 2007-2013 ESF funded projects, interventions targeting students' employability and transition to school to work were complex: internships specific activities were also accompanied by students' career guiding and counseling which significantly improved both their employability skills and their capabilities for further career development contributing to faster labor market insertion.

5. Arguments to argue the thesis

Lack of available data for internships costs and main beneficiaries prior 2007 is limiting the value of the paper, since the contribution of additional ESF funding to the increased participation and to the creation of additional internships opportunities cannot be properly assessed and compared with the budgets and results obtained prior to 2007. Thus, any estimate of the added value of the ESF funding has limitations: reliable official data provide grounds for measuring the ESF added value only in terms of students' participation to internships and presumed improvement of their employability capabilities. The lack of official data referring to budgets, participation, students' employability track after the completion of internship programs are affecting the quality of the analysis and the relevance of the analysis of the ESF added value conducted: the net effect of the ESF additional funding cannot be properly determined since the baseline values of relevant indicators not being available in official databases. Still, the results obtained during 2007 – 2013 programming period were used as baseline for the targets defined for 2014-2020 period.

We have assumed that the added value of the additional funding for internships will contribute to increased employability of the interns. Adequate funding is a necessary condition for increased quality internships but it is not a sufficient condition to automatically boost interns' employability. The analysis developed in our paper did not considered any influence of other parameters than increased funding. ESF funded internships in Romania met the same minimum requirements (in terms of duration, academic objectives) as non ESF funded internships; thus, *caeteris paribus*, the positive effects for quality internships and increased employability presented in the paper which associated to additional ESF funding should be considered as net added value of ESF interventions.

Employment outcomes of internships should focus on the job skills attained by students and also the career clarification it provides [22]. The work we have done did not focused on identification of specific job related skills that interns have acquired or on the contribution of the newly acquired

skills to their employability; we only assessed the employability of the students benefiting ESF funding for their internships, considering the share of students inserting in the labor market or continuing their education as a synthetic overarching indicator measuring overall impact on students professional career development (under the form of labor market insertion, better career choices, including identification of new education and training pathways in search for sustainable employment and better career options).

6. Conclusions

Romanian universities and schools have used the ESF funding in support for better internships and increased student participation to work based learning. The ESF funding available under SOP HRD 2007-2013 contributed to the increased internships' opportunities and students' participation to work based learning activities. The results of the analysis presented in this paper could be used by university and school management to deliver quality internships to their students. To this end, school and university management should consider the SOP HRD 2007-2013 best practices and to integrate them into the institutional framework for internships development and organization. Thus, the employability effects of internships funded under SOP HRD 2007-2013 should in depth examined and valuated to improve academic curricula (learning outcomes, learning methods etc.) for internships so that to better address the students' employability. Also, the added value of the complex measures (e.g. guiding and counseling, tutors' training) complementing internships specific activities under SOP HRD funded projects should be institutionally valuated for improving the effectiveness and quality of internships programs.

A quality assurance framework should be developed at schools and educational level to include relevant indicators as well as financial management and performance appraisal procedures for internships programs; lack of reliable data on evolution of input indicators (e.g. unit costs), result indicators (e.g. interns employability or interns labor market insertion) or efficiency indicators (e.g. results obtained compared to the targets) is negatively affecting the capabilities of schools and university to identify measures to improve the quality of internships and to meet their stakeholders (students and employers) expectations.

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