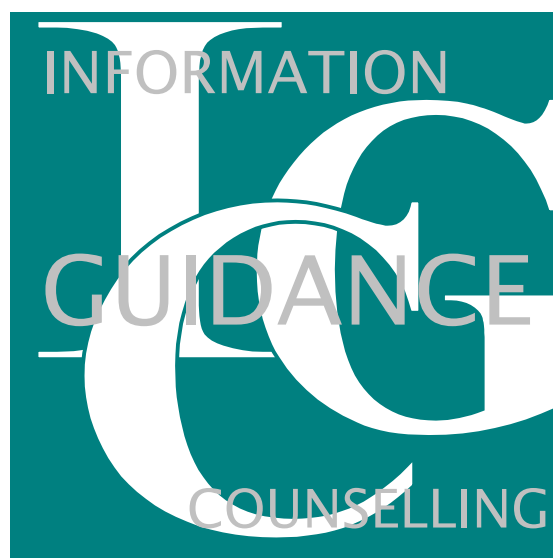


**AN OCCUPATION IN HARMONY:**  
**THE ROLES OF MARKETS AND GOVERNMENTS IN**  
**CAREER INFORMATION AND CAREER GUIDANCE**



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## INTRODUCTION

### I. The Emerging Need for Career Information and Guidance

In a traditional society without occupational choices, where sons succeed their fathers and daughters become mothers and homemakers, there are few decisions for young people to make about their occupations. But as occupational possibilities expand, then some mechanism must develop to facilitate the choice among them. And as occupational preparation has moved away from apprenticeships and the family, and into schools and universities, these occupational choices have increasingly taken place within educational institutions. In the U.S., for example, educators realized that students had to be prepared to make choices among occupational options virtually as soon as secondary schools developed separate academic and vocational tracks, around 1900, and the movement for vocational guidance developed as a way of promoting efficiency in both individual and social occupational choices. As Frank Parsons (1909) stated, in the earliest writing about vocational guidance:

An occupation out of harmony with the worker's aptitudes and capacities means inefficiency, unenthusiastic and perhaps distasteful labor, and low pay; while an occupation in harmony with the nature of the man means enthusiasm, love of work, and high economic values — superior product, efficient service, and good pay.

Not surprisingly, the existence of career information and career guidance (CI&CG for short) has varied among developed countries, with some (like the U.S.) incorporating it throughout the past century while others (like Iceland) have included it only in the past few decades. Recently there seems to have been an upsurge in interest in CI&CG because of a series of changes and challenges that have occurred more or less simultaneously in a number of countries. Surely the most important of these is what I call the Education Gospel (Grubb and Lazerson, in progress), which goes something like this: The Knowledge Revolution (or the Information Society, or the Communications Revolution, or the high-tech revolution) is changing the nature of work, shifting away from occupations rooted in industrial production to occupations associated with knowledge and information. This shift has both increased the skills required for new occupations and updated the three R's, shifting the skills required toward "higher-order" or core skills or key skills including communications skills, problem-solving, and reasoning — the "skills of the 21st century". Obtaining these skills normally requires formal schooling and training past the secondary school level so that some college — though not necessarily a baccalaureate degree — will be necessary for the jobs of the future, a position that we and others label College for All (or College for More).<sup>1</sup> Because of the pace of technological change, individuals are more likely to find their skills becoming obsolete. They must keep up with advances in technology, and even change their employment as firms adopt new technologies and products, and therefore lifelong learning is necessary to keep up with these changes. International competition has increased; and because no developed country wants to fall into the ranks of undeveloped countries relying on raw materials and unskilled labor, the need for greater levels of education and training over the lifespan is even more compelling. Countries may have to work harder just to maintain their standards of living, and individuals need more schooling just to maintain their own earnings. But the good news is that an expanded and properly reformed education and training system can meet all these challenges. The Education Gospel therefore includes both a conception of economic and social change, and a vision of how to respond to that change through education and training alone.

While the details of the Education Gospel vary among countries, the broad outlines are remarkably consistent, and many countries — and trans-national groups including the European Union and the OECD<sup>2</sup> — have embraced the apparently new need to invest in various forms of human capital. For career information and career guidance, the Education Gospel has several direct implications. One is that the selection of an appropriate occupation — “an occupation in harmony with the nature of the man” — is valuable not only for individual purposes but also for the social goals of efficiency, productivity, and competitiveness. A second correlate of the Education Gospel is that many countries have increased and improved the occupationally-oriented elements of their education systems, sometimes at the secondary level and sometimes in post-compulsory programs including those in technical colleges or community colleges or further education colleges; improved CI&CG is therefore necessary for individuals to make rational choices among these expanded alternatives. A third crucial element is that the rapid change in occupations themselves makes lifelong learning — and therefore the information necessary for educational upgrading and retraining — increasingly necessary, extending the need for CI&CG to the entire lifespan.

In addition, the expansion of choices has intensified the need for CI&CG for several distinct populations : for women, including those returning to work after child-rearing; for individuals who want (or need) to change careers over their lifetimes, as part of a new fluidity of what career might look like; for immigrants moving from traditional to liberal societies. In some countries, the development of market-like mechanisms — for example, the reforms introduced in the U.K. under Margaret Thatcher (Finkelstein and Grubb, 2000), and the efforts in the U.S. to develop vouchers and other choice mechanisms in elementary and secondary schools — have increased the demands for parent-consumers to be well-informed. In addition, the concerns of educators in many countries with equity, and with the inclusion of all groups of potential students, leads in turn to a concern with equity of access to CI&CG, since students lacking basic information about the educational requirements of occupations cannot possibly find their way into the most appropriate occupations. Finally, while developed countries vary substantially in their preferences for *laissez-faire* versus interventionist states, those countries that have tried to create Active Labor Market Policies (ALMPs) as ways of enhancing employment, earnings and well-being have usually included mechanisms to improve the matching of labor demand and supply — including CI&CG — along with supply-side and demand-side policies.<sup>3</sup>

There are, then, many different goals behind the recent interest in CI&CG, and the tenets of the Education Gospel have given new urgency to them. Some countries have been more explicit than others in the goals they want to pursue: for example, Australia has been explicit that it needs to enhance information and guidance partly to promote VET pathways in secondary schools, and partly to enhance lifelong learning (Australia, ¶10); Iceland has been most concerned with equity and social exclusion (Iceland, §2.4); and Great Britain has been most concerned with lifelong learning as well as social exclusion. In other countries policy-making is so diffuse and widely distributed, as it is in the U.S. with its many states and many layers of education and training, that there can be no coherent social goals. But it is worth trying to be specific about the goals of CI&CG because the choices that individual countries make about social goals in turn influence the populations they target and the educational institutions they try to influence.

In thinking about *how* countries can meet the goals they set for themselves, a crucial initial question is whether markets and private incentives are sufficient to create adequate quality and levels of CI&CG, or whether some policy interventions are necessary. In the absence of coherent government policy, then the market takes over, either providing information and guidance only in private forms or (where markets fail totally) providing very little CI&CG. This absence then forces individuals to fend for themselves, presumably making the mistakes — like failing to know the educational prerequisites for well-paid occupations, or finding “occupations out of harmony with the worker’s aptitudes and capacities” — that a more interventionist policy could prevent. So the provision of CI&CG by the market is always the fallback position if a country has not been able to formulate and implement a policy. In addition, some countries — Great Britain during the 1980s and

1990s, the Netherlands more recently — have explicitly tried to develop market-like approaches to CI&CG, for reasons carefully reviewed by Watts (1995).

At the outset, then, it is worth understanding the special characteristics of CI&CG as a “commodity” that markets treat as they would any other commodity. In this paper I first examine the demand for CI&CG, in section II; I then examine the nature of supply and incentives to enhance both the quantity and the quality of supply, in Section III. Markets are mechanisms and institutions intended to bring *potential* demand and *potential* supply into equilibrium, but we may not consider how much social energy and resources are necessary to create markets; I examine the nature of market-making in Section IV.

This examination of how markets function, and the ways they are likely to fail in the provision of certain types of CI&CG, leads to the identification of a series of market failures - ways in which laissez-faire policies are likely to lead to inadequate or inaccurate CI&CG, or to inequities in access, or to an absence of markets where potential demanders and suppliers can come to some agreement. In Section V, I outline a number of these market failures, and describe how different countries have developed policies to counteract them. This section relies heavily on the information from a number of countries collected by OECD as part of their Review of Career Guidance Policies, listed in an appendix.<sup>4</sup> These sources of information confirm that there is relatively little research or almost no evaluation of CI&CG, except perhaps in the U.K. and the U.S.; and that it is almost impossible to developed figures on spending or other measures of intensity because in most countries participation in CI&CG is so intertwined with attendance at educational institutions and in public employment services with job placement. In addition, the proceedings of a 1999 symposium on career development in many countries have been helpful (Hiebert and Bezanson, 2000), as has been a review of adult guidance services in the European Union (Bartlett, Rees, and Watts, 2000); I have relied on my own background for information about the U.S. (Grubb, 2001; Grubb and Watson, 2002; Grubb and Lazerson in progress, Ch. 6). The resulting “map” of policies in the arena of CI&CG offers some guidance about what areas of policy have been most neglected, and also provides some exemplars in a few countries that other countries might consider.

In the end, CI&CG are adjuncts to career-oriented forms of education and training, including professional forms of higher education, and more broadly to policies intended to improve the flexibility and efficiency of labor markets. This is just as true for emerging countries, or countries just moving to market-oriented labor markets and to educational institutions operating in market-like situations, as it is for the more established and developed countries whose practices provide the information for this paper. For example, China’s efforts to move to “two-way choosing” — where individuals choose their employers and employers choose their employees from a pool of applicants — represent the emergence of conventional labor markets from centrally-directed systems, and implies a much greater need for information and guidance than has ever previously existed in that country. So the consideration of markets, and the conditions under which intervention is necessary, has implications for a variety of practices around the world.

## **II. The Demand for Career Information and Guidance: Valuing an Abstract Commodity**

The treatment of education (or training) as a commodity, provided through market-like mechanisms, has itself been difficult. A great deal of VET is provided in post-compulsory institutions where “consumers” can choose among a variety of providers, and the efforts to introduce markets — particularly in the U.K. with its market-oriented reforms and in the Netherlands with the “marketization” of employment services (Netherlands, §6) — has expanded the scope of market efforts. But education lacks some of the crucial features of well-known commodities like shirts or shoes or even abstract commodities like insurance. Its value is difficult to calculate since it include both monetary and non-monetary elements, and it depends on many other developments not under the control of the consumer including the state of the economy and changes in occupational conditions. Its value lies to a great extent in the future, and forecasting (as in manpower planning) has not been

particularly successful; therefore there is considerable uncertainty about its value. The price incentives that are normally used to motivate prospective producers and to equilibrate markets may not be desirable in the case of education. Finally, education creates externalities (or hidden benefits) like the ability to participate in democratic procedures, social values like tolerance, increases in productivity that benefit employers or fellow employees, and potentially social benefits like economic growth, competitiveness, and flexibility. All of these characteristics imply that market-like mechanisms will work imperfectly when they are applied to schooling, and the record of countries like the U.K. and New Zealand which have tried to rely more on market-like mechanisms has been, in my reading, distinctly negative (Finkelstein and Grubb, 2000; Fiske and Ladd, 2000).

The problem of career information and guidance is even more complex. In the first place, the benefits to students- and jobseekers-as-consumers again include both monetary benefits — for example, the ability to gain access to better-paid or more stable employment than would otherwise be possible, which could in theory be measured by the increase in earnings — but also greater non-monetary benefits like the “enthusiasm and love of work”, or having an “occupation in harmony with the nature of the man”. It is hard to know how large these benefits will be, partly because they occur in the future and partly because, like the benefits of education itself, they depend on many other individual and social conditions not under the control of the student-consumer. There are many instances where student-consumers do indeed register their demand through willingness to pay and price mechanisms — the enormous private market in guides to education, for example, and the other forms of private markets I describe in Section V — but coming up with a total willingness to pay is beyond the ability of most individuals and, for the moment, of economists as well.

In addition, the demand — or *potential* demand — for CI&CG comes from several other sources. Employers are presumably another group that benefits if an appropriate match between a job and an individual can be made; increases in productivity on the job (including fewer complaints about incompetent workers that form some of the literature of the Education Gospel), increases in job tenure, reduced turnover and recruitment costs, perhaps reduced rates of grievances, challenges and conflicts on the job, are all potential measures of benefits to employers. If prospective employees were better informed about available occupations and their requirements, then regional differences, for example in unemployment rates and skills shortages, would be eliminated. But there are profound difficulties first in measuring these benefits, and then (as we shall see) in determining this willingness to pay or demand by employers, so this dimension of demand is all too likely to be neglected.

Both for individuals contemplating employment and for employers, there is another benefit that is often overlooked. The employment relationship is highly uncertain. Prospective employees do not know whether they will like any specific position, whether they will get along with their fellow workers, or whether they will find an “occupation out of harmony with the worker’s aptitudes and capacities”. From their side, employers do not know precisely what prospective employees’ abilities are, how they will fit into a complex organization, whether they will get along with fellow workers, supervisors, customers, and the like. There is a great deal of information that can be collected in a process of hiring an individual — about education, prior experience, recommendations from former employers, sometimes work-related tests — but some uncertainty persists. Uncertainty is always a phenomenon that causes market failure, so anything that can reduce uncertainty in the hiring process is valuable to both prospective workers and employers. I will return to this point in Section V.5, in discussing the breadth and depth of career-related information.

A third source of demand comes from educational institutions themselves. Students who make the “wrong” educational choices are likely to be dissatisfied students, and may drop out; alternatively they may change their educational pathways and thereby “waste” educational resources. In the U.S., where many students leave secondary school without any idea of what vocation they want to pursue, community colleges enroll many “experimenters” who are there not to pursue careers, but to figure out what career to pursue. Similarly in Australia, many adults come to the TAFE system when they want to change occupational directions, whereas the TAFE system assumes that they know what occupation they want to prepare for (Australia, §85). In addition to these kinds of “waste”,<sup>5</sup>

students without accurate information may lack the academic or intellectual prerequisites for certain types of education, leading either to dropout or to the need to provide extensive amounts of remedial education — a serious problem for many educational providers and for adult education. Therefore an educational institution ought to be willing to support CI&CG not only for its own students, to reduce these forms of mismatch and “waste”, but also for students it receives from lower levels of schooling. This form of institutional demand in turn creates demand for CI&CG from the educational *system* as a whole, to the extent that educational institutions constitute a coherent system rather than a series of independent institutions.

Fourth, there are various forms of social demand for CI&CG. The values expressed in the Education Gospel — greater productivity, the greater competitiveness of a labor force with the “skills of the 21st century”, greater flexibility and ability to change occupations as sectors wax and wane — are all presumably enhanced by CI&CG. Frictional unemployment — that portion of unemployment caused by individuals who have left their jobs before finding new positions — could be reduced through CI&CG, though this may be only a small fraction of overall unemployment. To be sure, the Education Gospel is often guilty of over-stating the value of schooling in economic growth, neglecting the view that education is only one of many different policies that contribute to growth (e.g., Landau, Taylor, and Wright, 1996; Grubb and Lazerson, in progress, Ch. 6); from this perspective it might be appropriate to be more careful in claims about the social value of schooling. But as long as governmental support for education and training are driven in many countries by exaggerated forms of the Education Gospel, these will be important sources of willingness to pay.

Given these four dimensions of demand for CI&CG, the first and most obvious problem is that measuring each of the components is extremely difficult, and therefore knowing what different groups ought to be willing to pay is problematic. The second implication is that, even in the absence of accurate measures of value, all four groups ought to be willing to pay something for CI&CG. But, as we will see in greater detail in Section V, the avenues for expressing demand have been limited, especially for individuals and for employers. Although there are forms of private CI&CG that individuals and employers pay for, most countries provide the majority of funding for CI&CG through public support for educational institutions, as if institutional and social demand were the most important components. And so, when we turn to the policies that countries might develop, some way to register levels of demand from individuals and from employers might be worthwhile, as I examine in Section V.1 and V.2.

A third implication of several sources of demand is that the goals of policy may respond more to one source of demand than to another. A policy that responds to the demands of education providers may or may not serve the interests of students or employers; policies to help employers reduce their shortages may not benefit the individuals involved. In conventional markets, this would lead to market segmentation of some sort, with different sub-markets catering to different groups of demanders. In the quasi-market of publicly-provided CI&CG, however, it may be necessary first to recognize the inconsistency among goals and then to determine some way of reconciling these inconsistencies— a subject I turn to in Section V.5.

A fourth problem in demand for CI&CG is that there is a great deal of *latent* or unexpressed demand, rather than *explicit* or overt demand. When individuals acknowledge that they made mistakes in their choices earlier in their lives, or wish that they had had better information about the effects of schooling, or wind up in the wrong occupations and then try to change career directions, they implicitly acknowledge that they should have expressed greater demand for CI&CG but that they failed to do so. While it is possible that this was a supply problem, such situations often develop even as counselors and teachers are trying without success to get students to focus on plans for their futures. The literature on social exclusion is full of testimony from students who admit that they made the wrong decisions in their earlier years, partly because they did not know the consequences of their decisions, or did not heed the warnings of teachers and counselors to develop clearer plans, or to work more diligently, or to stay in school to protect future options. In some of these cases, the problem is not simply that they were uninformed about career alternatives and schooling prerequisites; they were

also unaware that they needed to know this information in order to make well-informed decisions, a kind of second level of ignorance. And so providers of CI&CG may have to confront a real paradox: in order to create well-informed consumers who can make education and occupational decisions in their own interests they may need to be much more active than simply providing information. I shall return to the problem of moving individuals from latent to explicit demand in Section V.1, in examining the strategies some countries have followed, but for the moment the point is that the demand for CI&CG may not be clearly expressed in conventional markets.

A final issue is, to my mind, the most difficult and under-examined in the field of guidance and counseling. Many public policies, and many providers of CI&CG, seem to assume that information about careers and about educational pathways into careers is sufficient for individuals to make considered decisions. But decision-making is a much more complex process than this.<sup>6</sup> Even in the model of rational decision-making that economists use — the expected utility model, which is not particularly complex from a psychological vantage — the requirements for rational decision-making are substantial: (1) Individuals need to have stable preferences, which for young people who are unfamiliar with the world is a substantial barrier. (2) Individuals need to know their preferences about an enormous range of options including those — those occupations and educational alternatives, for example — that are completely unfamiliar to them. (3) Individuals need to have a sense of time, of trading current costs (like time spent in schooling) against future benefits (like employment benefits); they also need a sense of planfulness to be able to act on tradeoffs at different points in time. (4) Individuals must be able to think probabilistically, about the differences between high-probability and low-probability events — including low-probability events with high payoffs (like becoming a rock star). (5) Individuals need to be able to judge the reliability of information they receive, since we know some sources of information (often including peers) to be suspect. And if decision-making about future careers is more complex than the expected utility model assumes, then again the provision of information may be necessary but not sufficient for self-interested decisions. If, for example, occupational choices also involve deep issues of identity (including gender identity, class identity, or racial identity), or if there are unavoidably developmental aspects of decision-making, or if there are other unconscious influences on choices, then information may be necessary but it is certainly not sufficient.

This in turn raises the question of when career *information* is sufficient, or when *guidance* in various forms is also necessary, or when career-related *activities* that go well beyond conventional guidance are necessary as a way of helping young people formulate demand — activities that might include more substantial experiences including work experience, service learning, project-based learning, and co-operative education, for example. As the Canada Country Note expressed this issue, “public investment in information is of little value if its potential users are unable to access the information they require to understand it and relate it to their personal needs, and to act upon it” (Canada Country Note, §44). When I return to this dimension of demand, in Section V.3, the question will be whether any countries have considered the mix of information, conventional guidance and more substantial activities in their deliberations over CI&CG.

### **III. The Supply of Career Information and Guidance: The Varied Incentives of Different Providers**

In conventional markets, potential providers of goods and services respond to price incentives, supplying more of a good as its price — and the profit associated with producing it — increases. There may be other incentives, to be sure — quantity incentives, for example, where firms strive to dominate a particular market, or more complex long-run incentives which do not look like short-run profit-maximization — but price incentives are generally crucial to efficient provision.

There are, as I point out in the introduction to Section V, at least two distinct private markets in CI&CG that exist in many countries, where normal price mechanisms work well: the market for career information and self-help materials, where publishers provide a wide range of books,

pamphlets, and now electronic versions of information; and a private market in executive placement and outplacement, or “headhunters”, who search for individuals suitable for high-level positions. In both cases price mechanisms work appropriately, and these markets can expand or contract according to the level of demand.

But most of CI&C G is provided through public institutions rather than private firms, and so the incentives of these public providers may substitute for the price incentives of conventional suppliers. In the majority of developed countries, much CI&CG is provided through schools, colleges,<sup>7</sup> and universities, and it has long been realized that the CI&CG provided by these institutions may be biased in the direction of maintaining and expanding enrollments. Furthermore, in an education system where there is competition among institutions — either as a result of policy, as in England and the Netherlands, or as a result of supply outrunning demand, in countries with many post-secondary institutions — it is unreasonable to expect that one institution will provide information about options at its competitors; each source of information is likely to be selectively biased, and in such circumstances it is impossible for the student-consumer to become well-informed except through a tedious process of examining many different institutions.

One alternative is to set up public institutions outside schools and universities, responsible for providing information about a multitude of providers. This has been the tactic in England, for example, first with the Careers Service and now with Connexions; the efforts to set up one-stop information and guidance centers in a variety of countries (examined in Section V.6) are similar efforts to create sources of information and guidance independent of educational institutions, and therefore able to provide a broad range of presumably unbiased information. It is difficult to know what the incentives of these public institutions are: presumably they seek to expand their scope and influence, as most public agencies do, and they may be constrained by policy regulations and accountability mechanisms which create still other incentives ; but these are not the price incentives of conventional market providers. However, where they or other public institutions are able to charge fees for their services, or where public policy “marketizes” these agencies by forcing them to compete for business, they may become conventional profit- and price-driven providers, seeking to expand revenues and “profits” by expanding their “sales” and their prices where possible.

A third kind of organization potentially providing CI&CG includes community-based organizations (CBOs) or non-governmental organizations (NGOs), often established as formally private organizations with public goals related to social welfare — the promotion of chances for women, for example, or the disabled, or particular minority groups, or the reduction of hunger or poverty. Some of these organizations, particularly those trying to move individuals into the economic mainstream, provide some forms of CI&CG along with short-term training. CBOs and NGOs are often formally private, but effectively are public organizations when they are supported largely through public funding. One hope is that, as hybrid public-private organizations with clear community-serving goals but also public funding, they may combine the best of both.

Their incentives on the private side, so to speak, are presumably to advance the cause for which they exist; but incentives on the public side may simply be to maximize the revenues they receive for the services they provide, in which case they act more like organizations maximizing revenues and “profits” than as organizations championing a particular cause. At least in the U.S., there are substantial differences of opinion about CBOs and their basic incentives. One school of thought holds that the commitment of CBOs to their clients creates much more effective services than anything government should provide, and therefore that they should be used as the conduit for most public policy (e.g., Osterman, 1999); many foundations search for promising CBOs as the basis for “solutions” to social problems like unemployment and poverty. A different school of thought notes that there are relatively few effective CBOs, and concludes that the drive for revenues and “profits” turns many of them into ineffective organizations consuming public funds to no purpose (an old and derogatory term for those CBOs purporting to reduce poverty was “poverty pimps”). So the incentives of CBOs and NGOs can vary widely, and it is difficult to know a priori how they will perform in publicly-established quasi-markets.



The issue of using private organizations to serve public goals, through the mechanism of public funding, inevitably raises the nature of subcontracting for public services. Subcontracting has been widely used for a large array of public goods and services, always with the argument that creating competition among potential providers will increase the quality and/or decrease the costs of provision, compared to provision through government agencies lacking price-like incentives. One-stop centers have sometimes been subcontracted to private agencies (in the U.S., sometimes profit-making and sometimes non-profit CBOs), and various other services subcontracted to CBOs and NGOs may then support CI&CG. But several problems have come up consistently. One is that the incentives of providers under subcontracting is purely profit-oriented, as in conventional markets; particularly if the good being provided is abstract and difficult to measure, providers can increase profits simply by cutting the quality and costs of services provided — in turn leading to government regulation to make sure this does not happen. But contracting and monitoring costs may outweigh any gains from private provision (e.g., Sclar, 1997, 1998). In addition, it is often difficult to provide sustained services over time through subcontracting mechanisms, since it is bureaucratically simpler to contract for specific services at a specific time. Thus when continuity or coordination over time is necessary — if, for example, it is desirable to think of career identity as a developmental process that requires coordinated services over time — subcontracting may be an awkward mechanism to use. In addition, where there are coordination issues, then subcontracting to independent agencies is likely to create fragmented and disjointed services.<sup>8</sup> For example, career counseling should presumably be coordinated with decision points in school or university, when students are making choices that affect their future options; but integrating schooling decisions with counseling that has been subcontracted may be difficult. A final and more subtle problem with sub-contracting is that it creates a network of independent service providers, each with its own conflicting interests and its own contract, rather than a *system* of interrelated providers. If system-building is one of the goals of public policy, then subcontracting is an inappropriate mechanism.

We can then examine the effects of these four different types of suppliers of CI&CG — conventional profit-driven private providers, educational institutions, free-standing providers like one-stop centers, and CBOs or NGOs — on specific issues of concern: equity of access, or (for those particularly concerned with lifelong learning) access over the life cycle; the breadth of information and guidance; the provision of different combinations of information, guidance, and other related activities; the stability and adequacy of funding; and the possibilities of integrating CI&CG with the provision of education and training. In Section V I will return to these issues, clarifying the implications of different types of provision on these and other desiderata. The overall point is that, since we cannot rely on conventional price and profit incentives to supply CI&CG, it becomes necessary to substitute other kinds of incentives, some of which work better for some purposes than others.

On the supply side, then, a variety of incentives may govern the provision of CI&CG, and some of them — particularly the conventional price and profit incentives of conventional markets, which are then replicated in subcontracting and in funding quasi-private groups like CBOs and NGOs — may be suspect, at least for a commodity like CI&CG where the nature of the commodity is so abstract and where its quality is so difficult to measure and then monitor. This in turn suggests that other, non-market mechanisms may more appropriate to motivate potential suppliers.

#### **IV. The “Market” for Career Information and Guidance: Equilibrating Demand and Supply**

In conventional markets, *potential* demand and *potential* supply presumably exist, and the purpose of a market is to bring demanders and suppliers together and to establish equilibrium prices and quantities. Because markets in developed countries are so well-established, we may forget how much social energy and resources are devoted to market-making. The entire wholesale and retail sectors and almost all of the financial, insurance, and real estate industry are devoted to creating markets for goods and services, and in the purest markets we have — auction markets — the auction

house typically takes about 30% of the net value of the object sold.<sup>9</sup> So creating markets is costly, and this should be as true in the public sector as in private markets.

In the provision of education and training, there have been various governmental efforts to expand quasi-markets in elementary and secondary education. Some examples include the expansion of choice mechanisms and some experiments with voucher plans in the U.S.; and in the U.K. the program of Local Management of Schools, the devolution of control to school levels, the creation of grant-maintained schools and City Technology Colleges to create more competition in England. At the post-secondary level, most students can choose among a variety of highly-subsidized alternatives, except perhaps in rural areas or in some small countries without many providers; as long as student-consumers can decide where to spend their money (including their subsidies), and as long as there are sufficient institutions from which to choose and some variety in what they provide, then a quasi-market in postsecondary education exists. In a few cases governments have tried to increase the variety of postsecondary providers either by encouraging new competitors or by ending public monopolies on provision: for example, the U.S. extended student loans and grants to proprietary schools in 1967; Great Britain increased competition among certain postsecondary providers by allowing several different types of providers to offer similar credentials; Australia has introduced competition into its VET system by forcing public and private providers to compete for students and public funds. Finally, some countries have created quasi-markets in short-term training, including the U.S. with its Individual Training Accounts and the U.K. with its now-aborted efforts to create Youth Training Credits and its subsequent attempts to develop Individual Learning Accounts. In addition, the creation of credentials and qualifications is another form of market-making, since a credential can align the expectations of student-consumers, of employer-consumers, and of suppliers of education and training.

However, market-making in the case of CI&CG is different than market-making in education and training, though the latter might lead to the former. Market-making in guidance and counseling might take several forms:

- Creating more suppliers among which individuals might choose, including efforts to break up the monopoly of public providers. These suppliers might be either real providers — new organizations dispensing different types of information and guidance — or virtual providers, dispensing information through the Web and other electronic forms.
- The creation of a place where demanders and suppliers of CI&CG come together. The clearest example is the creation of one-stop centers in various countries, where consumer-demanders of all types come together with suppliers of information and some types of guidance. When various providers of education, training, and information are co-located at a one-stop center, then an individual who visits can have ready access to various types of information, from several different sources. But evidently it is possible to create one-stop centers in which only a restricted range of information is provided, limiting the value of one-stops as quasi-markets. To be sure, electronic “places” can also be created where demanders and suppliers of information can “meet”; web sites that provide potential students with referrals to different providers of education and training constitute one such market, though they provide information only, and information only about educational alternatives, not necessarily about occupational alternatives and the different routes into them. So the creation of these kinds of markets always requires further inquiry about the breadth of information provided, as well as whether guidance and other guidance-related activities are provided in addition to information.

A variant of such a market would not only provide many sources of supply of information, but would also stimulate and shape demand — including transforming latent demand into explicit demand — by various forms of outreach to potential consumers. In the U.S., for example, information and referral services for early childhood programs do not assume that parents are well-informed

consumers; instead they provide information and workshops designed to get parents to recognize the various forms of child care, their own preferences and desires for their children, and the most appropriate fit between their (sometimes conflicting) needs and the providers existing in the local community. The analogue in CI&CG would be an agency that is active in providing outreach and special services to individuals and groups thought to be in special need of CI&CG — including low-income youth, minority individuals, the handicapped, those who are socially isolated for various reasons, dislocated workers and adults seeking retraining — as well as stimulating potential suppliers of information (including education and training providers) to participate. This kind of active agency would therefore stimulate and regularize both demand and supply, and then match the two to create a more coherent market.

Just as credentials can regulate markets in education and training, certain regulations might foster markets in CI&CG by assuring all participants — individuals needing information and guidance, suppliers of information and of education, employers receiving referrals from agencies — of some common expectations. The range of regulatory mechanisms is potentially quite extensive, but they include the various efforts to create national standards for CI&CG; efforts to assure the accuracy and the neutrality of information; efforts to establish credentials for the individuals providing information and guidance; and potentially accountability mechanisms. These kinds of conditions create the preconditions or the foundations for markets, rather than fostering supply or providing markets directly; if potential demand fails to materialize, or if potential suppliers do not exist, then these kinds of regulatory mechanisms will fail to create markets. But for countries in a *laissez-faire* tradition of government, where a more active role of government is anathema, such efforts may be the best possible approach to market-making.

There are, then, various approaches to market-making in CI&CG. Most of them would require substantial resources — but that is consistent with conventional markets, where market-making uses considerable social resources. Some of them require a more active government role than others, and therefore are appropriate only in countries with active governments. But at least this roster of possible activities provides some guidance for what to look for when I turn in the next section to the efforts of countries in providing CI&CG.

## **V. Market Failures in Career Information and Guidance: Some Country Responses**

In this section I examine the ways in which different countries have developed CI&CG, to see what kinds of responses there have been — explicitly or implicitly — to the kinds of market failures identified in the prior three sections. If private markets fail, and government policy fails *both* to recognize this failure *and* to take steps to remedy it, then some kind of inadequacy or inequity in CI&CG will remain. Furthermore, the experiences in some countries may provide guidance for other countries seeking — for any of the reasons I explored in the introduction — to improve their CI&CG.

Before examining a series of potential market failures and their potential correction, it is clear that a substantial private market in CI&CG exists in most countries, in at least two forms — with a little bit of experimentation with a third form:

1. Most countries have a large market in books, pamphlets, magazines, and newspapers (including want ads) offering advice and self-help, information about jobs openings, and information about educational alternatives (including the promotional materials published by colleges and universities themselves). Some of this material has now moved on to the Web. These markets in publications normally provide information only, not guidance; they are completely unregulated, and since some of the materials are designed to promote particular companies or universities, it is necessary to be a relatively sophisticated consumer to use some of these materials well.

2. Many countries have a small private sector in employment services, providing information and counseling. Often employers use private employment services to help find higher-level employees (like senior managers), and sometimes to provide career-related counselor to their senior employees; sometimes employers use these services for individuals they are making redundant (“outplacement”); and individuals seeking to change jobs may, if they can afford it, use such private services too. In Ireland, for example, this sector is expanding, particularly with increases in job changing and lifelong learning (Ireland Report, §7.7); similarly the proportion of employers providing career management support has been increasing in England, mostly in large companies, mostly provided to managerial and white-collar staff, and mostly provided in-house rather than subcontracted to private providers (England Report, §4.1). Governments vary in their responses to the private sector. In Austria the government has been removing barriers to private guidance and counseling, and Germany has been trying to abolish the monopoly of the Federal Employment Service, in part by allowing more private provision of information and counseling. However, Denmark is not encouraging private providers, and similarly Finland’s tradition of public CI&CG discourages private provision. By and large this private sector where it exists is unregulated, though Germany has regulations (apparently not well-enforced) concerning conflicts of interest, requiring private counselors to disclose to clients if they represent an employer or educational institution (Germany Response, §3.1), and it regulates those individuals providing private counseling. However, with the possible exception of Australia (Australia Note, §4.6), the Netherlands, and the U.K., where the private sector is relatively strong, the private sector in most countries is described as being small, confined to a few specific functions, and relatively elite.
3. There has been some interest in using market-like mechanisms to provide access to CI&CG, though these have not been successful so far.<sup>10</sup> On the demand side, England — where market-like mechanisms were all the rage during the 1980s and 1990s — developed voucher-like Individual Learning Accounts, which share the funding for individuals, employers, and the government, and could have funding information and guidance. However, there was never much CI&CG provided under the accounts, and fraudulent use caused them to be closed down. An earlier experiment with training vouchers, the Youth Training Credits, also tried to harness the power of the market and might have included some CI&CG; in practice, however, both young people and employers behaved “irrationally”, with young people allowing employers to choose training for them and employers tending to work with training providers they already knew (Hodkinson, Sparkes, and Hodkinson, 1996; MacDonald and Coffield, 1993). In the U.S., an earlier experiment with training vouchers generated mixed effects, with a broader range of providers emerging but with low resource levels persisting; the amount of freedom and advice that job seekers had varied considerably, and some were able to get relatively little help.<sup>11</sup> The current provision in the U.S. of training vouchers (Individual Training Accounts) through the Workforce Investment Act has caused many providers (especially community colleges) to drop out of the supply side, and has resulted in very little training being provided. On the supply side, the Netherlands has tried to privatize and “marketize” 16 regional guidance offices, to end their monopolies and force them to compete with private providers. The number of the Centers has since shrunk to only 3, and the current feeling is that the effort to marketize represented an abdication of public responsibility, rather than an appropriate delegation to the market (Netherlands Country Note, §40). So none of the efforts so far to use market-like mechanisms to provide CI&CG has been successful.

One implication is that private (or quasi-market) provision of CI&CG is so limited *because* private markets fail. Whether this is the case or not, it is clear that CI&CG is generally a public function in all of these countries, and therefore examination of supply-side issues is necessarily an investigation of what is publicly provided. By and large, most of these countries have a rough tripartite system of providing CI&CG: (1) Educational institutions provide information and guidance to their own students. It is then typical for these services to be uncoordinated among institutions; that

is, often guidance in secondary schools and more commonly guidance in colleges and universities are completely independent of one another. Therefore a developmental conception of guidance cannot be implemented, and counselors with relatively similar issues at different levels of the education system do not pool their expertise or experience. In countries with an active system of adult schools, or folk schools as in Scandinavia, adult schools may provide some CI&CG (e.g., Norway Country Note, § 4.5); in countries with weak adult education, like the U.S., this sector provides almost nothing. (2) A different kind of information and guidance is provided through ministries of labor and through employment services, sometimes to all individuals seeking employment, sometimes only to those who are unemployed. These efforts are typically disconnected from those in educational institutions. (3) A third sector include the efforts of ministries and agencies related to social welfare, which generally attempt to support the most vulnerable members of society — the poor, recent immigrants, the disabled, women returning to the labor force, single mothers and other groups with special needs. While CI&CG is rarely a focus of these efforts, agencies (including many CBOs and NGOs) that provide employment-related services to these groups often include informal kinds of information and guidance. Often, as in the U.S. and Canada, the sector of community-based services is fragmented, poorly-funded, and idiosyncratic in what it provides; it is not a “system” in any sense, and is sometimes fiercely anti-government and anti-bureaucratic.

In some countries this tripartite system is formally constructed: for example, Austria provides CI&CG through the Federal Ministry of Education, Science and Culture, through the Ministry of Economic Affairs and Labor responsible for the Public Employment Service, and through the Federal Ministry of Social Security and Generations, providing information and counseling through Federal Social Welfare Offices (Austria Report, §2.1). In other cases the tripartite system emerges in informal ways. In the U.S., for example, educational institutions are responsible for their own guidance and counseling, with almost no state or federal direction, while the federal Department of Labor provides One-Stop Centers, and social service agencies fund local CBOs that sometimes offer career-oriented advice on their own initiative. In Australia, another *laissez-faire* country, educational institutions determine their own services, and education and the labor market are described as “loosely coupled”; a series of “transition programs” are funded for unemployed job seekers, with 12 Career Information Centers recently opened; and a Job Network supports some private and community-based providers of a employment services which can including CI&CG. These tripartite systems are roughly divided not only by government agencies but also by types of clients, serving respectively students, working and unemployed adults, and the poor and marginalized.

One exception to this tripartite pattern is Germany, where a great deal of CI&CG is based in the Federal Employment Service (Germany Response, §1.1, §2.5). This operates employment offices that provide career counseling to young people and adults, and develop cooperative agreements between schools and employment offices; employment offices have created 60 higher education teams in cities with major universities, to serve higher education students and graduates; and the social and youth welfare offices of municipalities, for those receiving social assistance and vocational assistance, are supposed to cooperate with the employment offices. (Whether they do in fact cooperate as policy suggests they should is another issue.) In this way one government agency, and the local employment offices it administers, is responsible for a great deal of CI&CG, with schools, universities, and social service providers subject to its influence. Other exceptions include England and Wales, where a “tradition” of CI&CG outside the schools was established by the free-standing Careers Service. In the case of England this has since been merged into Connexions, which brings together a variety of different services to serve both youth in school and those most at risk in the transition from school to work. While there are still other services — including a national framework for Further Education colleges, the Information, Advice, and Guidance Partnerships to serve adults, and Jobcenters run by the Employment Service for the unemployed — the Careers Service and Connexions provide a relatively coherent set of services for young people, in contrast to the fragmented provision typical when different schools and colleges provide their own services. Wales may be even a better example of a single coherent service since Career Wales provides services to both adults and youth, with diverse delivery methods and in geographically diverse settings, all within a common framework.

The basic ways in which a country structures its CI&CG almost guarantees that certain problems will exist, particularly in countries with informal rather than formal approaches to tripartite provision, and with highly decentralized education systems: uneven access to CI&CG; a great deal of information provided by educational institutions, with a possible bias in recommendations and a tendency for *career* counseling to shift to *academic* guidance; a further shift to *personal or psychological counseling*, particularly in countries where school-based counselors are given a broad role and/or required to have extensive preparation in psychology as in Luxembourg, Canada, and the U.S.; and fragmentation of services across many different providers and across the three major segments. These problems would also plague private provision of CI&CG, of course, so they are not a reason for countries to rely more heavily on private markets. But where supply is largely public rather than private, any problems in supply necessarily become problems for public policy to address.

In the rest of this section I examine 6 different kinds of market failures, and examine what countries have done to address them — illustrating that there are active steps countries can take to mimic how *idealized* markets would operate. The first two sections examine different aspects of demand; the third describes an element of both supply and demand; the fourth and fifth pertain to the public supply of CI&CG; and the sixth describes elements of market-making.

### ***V.1 The Problem of Latent versus Explicit Demand***

Many countries have taken some steps to make young people in particular aware of their need for CI&CG, and presumably more able to demand services as appropriate to their stage of development. The most common approach is to require some kind of career education or career counseling during secondary school — a paradoxical case of using an illiberal policy (compulsory activities) to foster a liberal goal (more sophisticated decision-making). For example, Germany requires guidance services in the penultimate grade; Denmark includes career information in the mandatory curriculum. Careers education is mandatory in Austria in years 7 and 8, either as a separate course or integrated into the curriculum (but required only for 32 hours per year); these are called “active” measures, as distinct from voluntary or passive measures (Austria Report, §5.3). Iceland requires a course in Life Skills, for one hour per week; schools in England and Wales are required to provide career courses to students in years 9 – 11, though there is no prescribed program of study. In at least one country — Austria — universities have a mandatory “university entrance” phase, including an orientation to the university; many institutions in other countries operate voluntary orientation sessions, though these are probably best considered academic counseling rather than career counseling. Another area of mandatory CI&CG is addressed to the unemployed and those on social assistance, who may be required to receive counseling as a prerequisite to receiving other employment services or social assistance itself. Germany requires those receiving public benefits to seek advice from the Federal Employment Service; those in the U.S. who want access to short-term training (through Individual Training Accounts) first have to complete job search assistance, which includes counseling as well as coaching in job-finding methods; Denmark requires guidance for unemployed individuals; Austria sometimes requires clients of the Vocational Guidance Centers, which are generally voluntary, to participate in counseling, presumably when they are thought to have special needs; Iceland requires all unemployed individuals to attend meetings about the labor market and how to apply for jobs.

But voluntary rather than mandatory CI&CG services are the norm in many of these countries, even though there may be some pressure for students in particular settings to use these services. For example, Ireland encourages students to see counselors in year 9, and some schools try to get those at risk of expulsion to participate in counseling. Other countries have developed mechanisms to get students to think more systematically about their futures. Denmark uses Individual Educational Plans (IEPs) in upper secondary schools to get students to structure their choices. Denmark also offers a series of “bridge-building” or “taster” courses to introduce youth to a variety of future educational and occupational options, hoping to contribute to more reflective choices (Denmark Report, §2.4). In the U.S., secondary schools that have adopted new, broader forms of vocational

education integrated with academic education often offer “exploratories” or short courses introducing students to each of the occupational areas a school offers, providing initial preparation in the technologies involved as well as an introduction to possible careers within the occupation (Grubb, 1995). These can be interpreted as efforts to allow CI&CG to remain voluntary, but to persuade more students about the value of thinking more systematically about future options.

A slightly different tactic for converting latent demand into explicit demand is to engage in more active outreach. In England, for example, there has been a recognition that some groups — particularly those in low-income areas and those requiring basic skills — are unlikely to find their way to conventional CI&CG, and may instead respond better to local and informal community-based organizations (England Response, §5.4.4). In Canada, providers of adult education pride themselves on being accessible to hard-to-reach individuals, but they rarely provide sustained instruction of CI&CG. Instead some community colleges have set up informal community-based centers, mimicking the atmosphere of adult programs, where they can provide a range of services including CI&CG to individuals who would not otherwise enroll in a formal educational institution (Canada Country Report, OECD Thematic Review of Adult Learning, §3.3). A similar pattern is evident in the U.S., where some community colleges have developed non-credit centers as less formal points of entry into the college (Grubb, Badway, and Bell, 2000). However, these examples are infrequent in both countries; in other countries more active outreach to those uncomfortable with governmental institutions seems not to have been widely explored.

A particular concern, at least to those countries (including most of the English-speaking countries) which postpone crucial educational decisions and specific occupational choices, is that information and guidance should be particularly important at that stage where students need to make critical (and sometimes irreversible) decisions, for example between attending an academic institution leading to the university or entering an vocational program leading to employment. Fortunately, most countries have a mechanism for providing information to individuals before this crucial decision point. In Germany, schools target pupils for advice before their school-leaving exam, and there is a compulsory presentation of services in the year before; an educational institution that provides pre-vocational training or support for apprenticeships usually offers career and educational counseling (Germany Report, §4.2); Austria requires compulsory careers courses in years 7 and 8; Denmark offers “bridge-building” or “taster” courses to inform students about their options.

Unfortunately, there appears to be no research on what happens when access to these services is voluntary rather than mandatory, though a simple observation is that students who have no other resources — for example, low-income and immigrant students whose parents and community can provide little information about the broader world of work — may be particularly disadvantaged if voluntary provision of services allows them to slip through without any information or advice. Certainly in the U.S. the problem of students without access to information, and therefore with high ambitions (like becoming professionals) but without realistic information about what schooling this requires, has become a serious problem; students with “misaligned ambitions” then create problems for subsequent levels of the education system (Schneider and Stevenson, 1999).

In a few countries, therefore, some levels of the schooling system itself serve as places for students to learn more about occupational options. In Australia, for example, many adults come to TAFE colleges when they want to change careers; while the TAFE system assumes its students know what directions to take, and therefore provides relatively little structured CI&CG, the very act of enrolling is a way of gathering information and charting a direction (Australia Note, §85). Similarly in the U.S., many students come to community colleges as “experimenters”, unsure of their direction but attending classes almost randomly as a way of learning more about employment options, educational requirements, and their own likes and dislikes (Manski, 1989; Grubb, 1996, Ch. 2). I suspect that this use of educational institutions as a source of CI&CG is particularly prevalent in countries with *laissez-faire* education systems, where students can enroll and leave without many controls.

Indeed, it is clear that yet another way to provide a kind of career guidance is to structure educational pathways that lead to employment and that clarify the requirements for attaining particular jobs. Norway has self-consciously structured such paths as an alternative to *laissez faire* practices; the German dual system is well-known for its prescribed sequences of school and work experience leading to *Abitur*, or vocational credentials required for employment. Even in the U.S., certainly among the most *laissez faire* countries, there have been efforts to structure 2+2 programs incorporating both secondary school and community colleges courses — and even 2+2+2 programs linking secondary schools, community colleges, and universities — as ways of creating transparent educational pathways in place of free but uninformed choice. Similarly, Australia has been trying to create pathways across secondary schools, TAFE colleges, and universities, again under the assumption that the creation of explicit pathways is itself a form of guidance (Australia Country Note, § 71).

There are, then, several ways of leading (and sometimes forcing) students to understand that ignorance about education and occupational options is dangerous, and that they need to formulate their own demands for CI&CG — and I shall examine a few more in the next section. However, these methods tend to be uneven and weakly articulated; many are voluntary, and it is unclear which students avoid them; and some of them (like “experimenters” attending community college) are inadvertent rather than planned.

## **V.2 Registering Demand from Employers**

While the efforts to get individuals needing CI&CG to express their demand are important, an equally important issue — given that these services should benefit employers as well as employees — is to develop ways of getting employers to express their own demand and support, including mechanisms for getting them to pay for part of the public subsidies for information and guidance. Indeed, if employers benefit from CI&CG, but have no avenues to express this value, then we would normally expect these services to be under-provided.

By and large, there have been relatively few ways for employers to participate in CI&CG, particularly in countries like Sweden where there has been a tradition of public provision, or countries like the U.S. where employers withdrew from any responsibility for VET a century ago. However, there are a few exceptions that provide some suggestions for other countries to follow. In the Netherlands, there are sectoral training programs funded through training taxes on firms in specific sectors, especially for small and medium-sized enterprises (SMEs); these may include limited access to guidance. In Quebec, a training levy with a “pay or play” provision<sup>12</sup> has apparently increased the amount of firm-based training; as in the Netherlands, this might include some career guidance, though this is not the main focus of the training levy. The idea of training levies remains an attractive one, particularly in countries that suspect there is too little provision of firm-based training; but at best CI&CG would be only one service that might be offered under such policies.

A more common approach to employer participation in CI&CG is for them to provide certain services and forms of cooperation with schools and colleges. Here it is clear that the strength of the social partners (business organizations and labor unions) and the history of dual systems of VET are crucially important, because the countries with active employer participation are almost uniformly those with dual systems and strong employer associations. In Sweden, for example, employer associations come to schools to present plays and games, informing students about working life and providing information about higher education (Sweden Report, §4.2). In Germany, employers have increased their commitment to vocational orientation in the schools: they participate in specific school projects, establish partnerships with schools, organize projects, placements, and excursions in industry, and have launched a national initiative (“Transjobs”) which develops projects on vocational guidance in schools nationwide (Germany Report, §4.2). In Austria, the social partners maintain their own institutions for information and guidance, intended to provide objective information and advice on all educational pathways relevant to employment; in some parts of Austria these are integrated



with education pathways in schools and second-chance opportunities (Austria Report, §2.1). In most other countries, however, employers and employer associations sit on advisory boards, and provide a limited number of work experience placements and excursions to visit companies, but otherwise play no real role in CI&CG. And in the U.S., a country where employers have generally abdicated any role in the VET system, the specific efforts of the School-to-Work Opportunities Act of 1994 to increase the amount of work-based learning was largely a failure, with some schools increasing trivial work experience efforts and some conventional counseling (Hershey et al., 1998).

The difficulty of rousing more employers to participate in CI&CG is also a problem for the kind of information that can be provided, as I note in the next section. But the lackluster participation of employers in many countries means that one of the potential beneficiaries is simply missing from the social decisions about CI&CG, with the potential for reducing the overall levels of demand and funding.

### V.3 *Information versus Guidance versus Other Activities*

Another problem in the articulation of demand involves the question of which kind of services an individual needs. If individuals are not aware of needing CI&CG, it is much less likely that they will know what kind of service they might profit from; providers, or the public sector in general, may then need to be more active in making this determination. This also turns out to be an issue on the supply side as well, since if demanders cannot specify what kinds of services they need, then public provision will need both to make a diagnosis and to supply the different services that are appropriate.

The structure of the OECD Review of Career Guidance Policies distinguishes between *information*, presumably provided in print or electronic form but without any other help except perhaps assistance in gaining access, and *guidance*, where an individual like a counselor helps a student or client interpret information, broaden their horizons, explore their options, confront restrictions and barriers, and otherwise move toward relevant decisions. (There has also been a distinction in England between *advice*, indicating short-term help, and longer-term *guidance* with more intensive interviews and more thorough intervention; but in practice the distinction has been difficult to maintain.) From the U.S. perspective the term *guidance* suggests the role of the counselor in steering individuals toward some particular decision, rather than facilitating the individual's own decision, and therefore may lead to fears about tracking or steering or "cooling out" — for example, by guiding women to traditionally female occupations, or guiding low-income and minority individuals to lower-skilled occupations. This is the approach of directive guidance, as distinct from non-directive or liberal approaches (Bartlett, Rees, and Watts, 2000, Ch. 2). From this perspective, then, it makes a great deal of difference precisely how guidance is interpreted and practiced — though it is almost impossible to learn much from these country studies about this dimension of CI&CG.

Beyond guidance there is a range of other *activities* that might provide information and insight about careers and educational alternatives, including experiences that might help an individual develop the prerequisites for decision-making outlined at the end of Section II. These might include, for example, work experience, full-blown apprenticeships, work experiences integrated with school-based components (including the kinds of seminars that LaGuardia Community College in the U.S. operates, described by Grubb and Badway, 1999), service learning, project-based learning that takes students into the community, and more active forms of job search assistance. The question here is not whether guidance is in fact more effective than information, or whether a broader range of activities is more effective than either; the evidence is not available to make claims like this. The issue is instead whether countries have wrestled with the issue of what kinds of services might be most appropriate for different groups of individuals needing CI&CG.

A few countries have been concerned about the distinction between information and guidance. Finland has been discussing the most effective combination of self-service or self-help —

meaning access to information, especially that available over the Web — versus individual counseling, but this is one of the few instances of recognizing that information alone might be inadequate for some individuals. In several countries there are three-level service models, implying a hierarchy of need. In the Netherlands, for example, the 131 Centers for Work and Income provide self-help for some individuals, some additional guidance to those needing more assistance, and finally more intensive assistance for some who need this (Netherlands Country Note, §22). Germany has developed a “graded concept” of services depending on need, ranging for self-information to assisted self-information to intensive counseling for those with the greatest barriers to employment. The U.S. has also developed a tripartite system in its One-Stop Centers, where everyone has access to information; those unable to find jobs then get limited guidance in the use of this information; and those still unable to find jobs get more intensive services including Job Search Assistance (and, rarely, short-term training using Individual Training Accounts). In England, funds for adult programs through the IAG Partnerships are supposed to fund only information and “advice”, not in-depth “guidance” — implicitly assuming that adults are sophisticated enough to be able to rely on information and “advice” only — though in practice the distinction has been impossible to maintain. Otherwise, however, there seems to have been remarkably little discussion about the provision of information versus some form of guidance. In some countries there has been a tendency to focus more on information than on guidance; for example, in Norway weak professionalization of counselors has led to this result (Norway Country Note, §72).

Indeed, the substantial efforts in many countries to establish self-service in guidance — particularly through Web-based materials and other electronic forms — suggests that, implicitly if not explicitly, there is a widespread assumption that information alone is sufficient. For example, Sweden has been moving toward self-service in guidance over the Internet; Ireland has developed Careers World on a website and CD-ROM, as well as Qualifax, showing all tertiary courses in the country; Germany has a great deal of self-exploration with the BIZ computer program, with many models available on the Internet; Norway has developed an eNorway strategy, including several electronic databases about career and educational opportunities; Australia has developed the National Career Information System on the web; Finland is putting all information from ministries of education on the web; Canada has developed the Canada WorkInfoNet (CANWIN), a national portal to connect all citizens to career information. Since so much information is now available on the Web, a few countries have tried to remedy inequalities in access to the Web by establishing centers where individuals can gain access: the U.K. has established U.K. Online Centers, for example, and Canada has created a network of Community Access Centers. Of course, there are enormous economies of scale in using the Web to disseminate career-related information, and many individuals need little more than this kind of information. But my point is that countries that have emphasize CI&CG through the Web have implicitly decided that information rather than guidance and other activities is the most appropriate.

In addition, a number of countries have provided a variety of activities that go beyond guidance — though some of them are not especially justified in terms of helping individuals make career decisions. Austria provides a particularly wide range of activities including career fairs, organized visits to career guidance centers, vocationally-oriented visits to companies, co-operative education and Trial Apprenticeships with social partners, and seminars complementing school-based courses in cooperation with the Public Employment Service, the Chamber of Labor, the Economic Chambers, the National Economy Society, and the like (Austria Report, §7.4). The “exploratory courses” in the U.S. and the “taster” or “bridge-building” courses in Denmark are more or less explicitly intended to help students make education and occupational choices. Any number of countries provide work experience programs, though these are often intended to provide work-based learning related to a specific occupation, rather than career development information. In Germany, for example, the well-known apprenticeship programs do not include much CI&CG because it is assumed that individuals by that point have made a choice of career; however, there are growing numbers of partnerships between companies and secondary schools, and exploratory company visits (as well as the mandatory careers courses mentioned in the previous section) to facilitate decision-making. Great Britain has developed one- and two-week internships, which often take place at the end of year 9 so

that no examination of the work experience within the school setting is possible; while these seem much too short, with little potential to develop much learning about the workplace, apparently there are efforts to improve them. Similarly in the U.S., there is some work experience and service learning provided at both the secondary level and the college level, but little thought is given to their effects on career development. There are clear exceptions, however, in one community college that has developed a series of seminars for students to reflect on their collective learning from co-op placements (Grubb and Badway, 1998), and in some “new vocational” programs that explicitly use internship placements to teach students about the labor market alternatives (Ryken, 2001).

Finally, a practice related to the nature of services provided, one that is relatively universal, is the provision of career information and guidance in relatively free-standing programs — that is, though guidance counselors who are differentiated from instructors in educational institutions, or in free-standing institutions like employment services and one-stop centers. This means that information and guidance are only rarely integrated into the curriculum of education and training programs, but remain by construction peripheral, on the sidelines, provided by individuals who do not teach in the mainstream of these institutions — another way that CI&CG ends up being marginalized. There are just a few exceptions, it seems. In Austria, required careers education can be provided either in free-standing courses or integrated into the rest of the curriculum. However, while integration is common, it was introduced only because teachers resisted sacrificing time to stand-alone career courses, and this approach is widely regarded as unsatisfactory. In the U.S. a few programs have developed more integrated forms of guidance:

- The Puente Program, created to help Latino students complete high school and become eligible for public colleges and universities in California,<sup>13</sup> includes counselors in small learning communities of students, working in many different ways: they consult with the English teachers to diagnose and resolve academic problems; they counsel students in groups about many different topics; they arrange trips to local colleges; they organize parent groups, partly to educate parents about college and its requirements, partly to get parents to “let go” of their children, and often take parents on trips; they also organize the Puente program as a whole, and recruit mentors from the community. Puente generally succeeds in creating a school-within-a-school, in enhancing the quality of instruction, in strengthening parent participation and support, and in providing students the information necessary to fulfill its single-minded goal of having all students go to college — and counselors are integrated into all of this.
- A number of high school reforms have integrated broadly occupational content and applications into their programs, in forms ranging from small career academies (which are schools-within-schools), through high schools in which all students choose a major or career cluster or career academy, to high schools with a broadly occupational theme (e.g., agriculture high schools, or high schools focused on health careers, or High Tech High in San Diego).<sup>14</sup> Once high schools have introduced these practices, they have been forced to confront the need to educate students about their options — sometimes in conventional ways, by having representatives of career academies or majors talk to ninth graders about options, or in more elaborate programs of experience, experimentation, and choice. In one high school in the Pacific Northwest, for example, students may choose among six different majors or clusters. In the ninth grade and the first half of tenth grade they take nine-week mini-courses (or “exploratories”) in each of the six clusters, learning the technologies and methods associated with a broad range of occupations, and investigating the careers available and the educational preparation necessary. Then each student chooses two of the six clusters for a second nine-week period of experience, at more advanced levels; they subsequently choose one of those two clusters as the basis of their program in the eleventh and twelfth grades. Thus all students experience every cluster the school offers; they learn about occupational alternatives both through experience and through conventional reading and teaching; and they make two choices, with substantial but not irreversible consequences.

- A number of community colleges, with large numbers of “experimenters” undecided about their career goals, have created learning communities incorporating counselors, where students take two or three related courses at the same time. Most often these learning communities include a course in labor market options taught by a counselor, with other courses either in basic academic skills (for those who need remedial education) or in an introduction to an occupational area. These formats allow counselors to work as instructors, to integrate their material with that of other instructors, and to work with students for more extended periods of time.

Overall, then, there has been much greater attention recently to information — particular to self-service and Web-based career information — rather than guidance; the attention to broader career-related activities has been patchy at best; and the integration of information and guidance into the curriculum seems to be quite rare, though there are promising examples. This situation may be fine for the most sophisticated individuals but — as the efforts in Finland and the U.K. to wrestle with the appropriate mix of information versus guidance versus outreach activities attest — the least sophisticated individuals may get less than they need under these approaches.

#### ***V.4 The Level and Equity of Access and Funding***

Moving to the supply side, a central question — under either public or private provision — is whether access to services is first adequate, and then equitable. Denmark has recognized that overall levels of access are a problem, particularly given decentralized decisions and a fragmented system (Denmark Report, §2.3). In Australia, another country with relatively decentralized provision of education, the provision of career education is patchy and diffuse, more variable in quality than in other countries; career services are also limited in TAFE colleges and universities (Australia Note, §61, 63, 73). Finland has experienced demand greater than supply in its employment offices so that priorities have had to be established. Iceland, where CI&CG is only two decades old, has also reported demand greater than supply, impeded in turn by the lack of governmental funding and difficulties in coordinating different agencies. In the U.S., increasing fiscal pressures have caused schools and colleges to cut services; in high schools student:counselor ratios are generally between 500:1 and 700:1, though schools with 900:1 are not uncommon; most community colleges have ratios in the order of 1000:1, and provide substantial services only to selected students (like low-income students or those on welfare). Similar problems exist in Canada, where many schools report ratios of 1200:1; British Columbia has established maximum rates of 693:1, which would strike most U.S. counselors as high (Canada Country note, §4.1). In most countries, then, overall levels of CI&CG seem to be inadequate to levels of demand.

Two phenomena appear to be related to the inadequacy of resources. One is the decentralization of education and training, which drives the funding and decision-making about education to local levels. Under these circumstances there may be diseconomies of small size affecting the provision of CI&CG. In response, Sweden has created a series of regional centers for small schools to share, and several countries are now contemplating creating national programs to supplement what local schools can provide. In addition, as Finland has discovered, local provision inevitably leads to differences among local regions as local schools make decisions about how much guidance to provide. Again, there are possible solutions to this, including establishing minimum requirements (as Austria does in requiring 32 hours of career education per year), and establishing some kind of national program, as Ireland has done. But the point is that decentralization itself — a popular direction in many countries — itself creates certain problems of adequacy and equity in access to CI&CG.

Another pervasive problem is that tying funding for CI&CG to schools means that cycles in school funding in turn drive cycles in funding for CI&CG, which — as a relatively peripheral services in most schools and colleges — are likely to be the first to be cut when money is scarce. There are some efforts to circumvent this problem: for example, Ireland is planning a National Education

Psychological Service to make sure that all schools have counseling by 2004 (Ireland Report, §2.2). But even in England and Germany, which provide CI&CG in institutions that are independent of public education, there are problems of inadequate funding: the Federal Employment Service does not have the resources to cope with growing demand and so private guidance services have expanded; and while access to services in England are relatively good, there is substantial concern about the quality of those services. So no country seems immune from shortages of CI&CG.

There are, in addition, some specific problems of access that are nearly universal. One is that, in systems that are dominated by education-based provision, those individuals who are outside the education system also fail to get access to CI&CG unless perhaps they have access through employment services; this means that, by construction, those most in need of advice fail to get it. A second nearly-universal problem is associated with lifelong learning: adults generally lack access to information and advice, and the adult education provided in most countries is focused too much on basic skills, language programs for immigrants, and specific vocational preparation, to provide much career advice.<sup>15</sup> Third, those in danger of social exclusion — often low income, immigrant, and minority individuals — also lack access to CI&CG because they are excluded from schools and may be socially isolated; thus countries like Finland and England that have targeted social exclusion are trying to devise ways to reach out to such individuals. Fourth, in many countries academic or general education — in contrast to vocational education — has paid little attention to the world of work. In the Netherlands the argument that CI&CG should be important to academic students, and the efforts to integrate career education into all teaching, have apparently been unsuccessful (Netherlands Report, §45, §47); similarly in the U.S., career counseling has given way in academic high schools to counseling about colleges, with the result that many students graduate with little idea of the vocations open to them.

Some countries have developed specific shortages as a result of recent policies. In Australia, for example, the new emphasis on VET programs in secondary schools has diminished the resources available for careers programs within school (Australia Note, §75). In the U.K. there is a fear that introducing the Connexions service will reduce career services in schools (Morris, Rickinson, and Davies, 2001, p.49). These effects reflect overall restrictions on resources, with the result that a new emphasis causes reductions in services elsewhere.

To be sure, the problems of low and inequitable access in publicly-provided services mirrors precisely what would be likely to happen under private provision, where differences in income and access to private markets would probably create the same kinds of inequalities. But the point is that most countries have only started to mitigate inequities in access to CI&CG, and this is particularly an issue in countries where the Education Gospel has affirmed the centrality of schooling and of lifelong learning to economic success.

## **V.5      *The Breadth and Depth of Information***

Information is generally thought to be a pure public good — something that can be shared with all consumers without detracting from any individual's consumption — and therefore is always a logical candidate for public rather than market provision. In the case of career-related information, there are at least three concerns. One, the most straightforward conceptually, is the accuracy of the information provided. Virtually all developed countries have developed procedures for verifying the accuracy of the career information they provide about the nature of jobs, employment levels and trends, average earnings, and the like.<sup>16</sup>

But the problem is not so much the accuracy of information available, but rather: (1) the difficulty of forecasting such information over relatively long periods of time, a nearly impossible task; (2) the difficulty of obtaining such information for local and regional areas where individuals are and want to work; and (3) the problem of having information conveyed accurately, given frequent complaints about guidance counselors who are uninformed about labor market conditions. The latter

problem is likely to be especially serious where *career* guidance has turned into *academic* guidance, about progress through educational institutions. In those countries with relatively heavy regulatory systems, like countries with a dual system, the solution has been to require the certification of counselors. But many other countries have taken a *laissez faire* approach and require very little of their counselors, particularly in post-compulsory schooling; and in some countries — the U.S. is a good example — counselor certification emphasizes psychological counseling, not career counseling. Thus the ability of counseling efforts to convey accurate information about career options depends crucially on the conception of what counseling is for.

A different problem arises when counseling is provided principally within educational institutions, as it is in virtually all countries save England and Germany. In these cases, the information provided by each institution may be limited to programs that institution provides, or local labor markets that institution serves; thus guidance within educational sectors in Denmark has been described as “inward looking”, and in Ireland as “institution-bound” (Ireland Report, §1.1), and in most countries the services provided in different educational institutions are uncoordinated with one another so that information may be inconsistent, or unable to create developmental approaches to career decision-making.

The real danger lies in the possibility that education providers falsify or slant information in order to increase their enrollments. In the Netherlands, for example, there has been some concern with the impartiality of information, and some employers feel that educational institutions are more concerned with filling their courses than with providing sound advice (Netherlands Country Note, §44). Denmark has also recognized the issue of the neutrality as part of the problem of quality in counseling, and has developed guidelines for high-quality counseling and for further counselor education (Denmark Report, §2.3B). Austria has created a series of Centers for the Promotion of Adult Education that are supposed to provide information that is neutral among providers (Austria Report, § 5.8), and Germany has regulations designed to inform consumers if private counselors are working for specific education providers or employers. The approach that England and Germany have taken — of providing CI&CG through institutions that are independent of schools — is surely the most thorough solution to this problem because it eliminates the incentives to slant information. In some cases, however, information provided by non-educational agencies may be systematically biased. For example, the One-Stop Centers in the U.S. can provide information only about providers who have been qualified; because the process of qualification is so demanding and the benefits are so few, many community colleges have opted out of the One-Stop system, and therefore information about some of the best VET programs is lacking. So the issue of neutrality of information appears in several different forms, with solutions that so far have been patchy and inconsistent.

A final issue is the depth of information about employment options. The information conventionally provided as part of CI&CG describes occupations, their educational prerequisites, their earnings and career prospects and working conditions, but such information cannot convey much about what it feels like to work as a nurse or computer programmer or assembly-line operative. The uncertainty about the employment relationship mentioned in Section II is, from the side of the prospective employee, whether an occupation is “in harmony with the nature of the man”, and this cannot be known through the conventional career-related information. Different kinds of information are available from some of the career-related *activities* I described in Section V.3, particularly those provided by employers, employer associations and labor unions who have deeper and more complex information about the nature of work. The activities of employer associations, particularly in Sweden, Germany, and Austria, to provide experiences in schools, and through employer visits and internships and work experience programs, are good examples of providing richer and more experience-based information about work. Similarly, in countries where labor unions are strong social partners, they too can provide information about work as well as workers’ rights. Thus the Chambers of Labor in Austria offer their own guidance and counseling; unions in Finland provide some information about wages and working conditions; unions in Iceland have apparently added to the information available to school counselors, though unions do not themselves provide much CI&CG; and in Great Britain Trade Union Learning Representatives provide low-skilled workers with advice and information at

the worksite. The participation of unions can also rectify another possible source of non-neutrality in information: particularly in countries with weak labor movements like the U.S., the issues of workers' rights, of power relations in the workplace, of union prerogatives and organizing rules are unlikely to be conveyed to prospective workers if unions are not engaged in providing career information.

One practice that can be considered an especially thorough form of career exploration is work experience (or internships, or co-operative education, or apprenticeships). While such forms of work-based learning are often promoted as ways to learn the competencies required at work, in the specific contexts and social settings where such competencies will be applied, they are also ways for prospective employees to learn more about the feel of a job, *and* for employers to learn more about the suitability of prospective employees — thereby reducing somewhat the uncertainty associated with the hiring process. While work-based learning is not always organized with this goal in mind, the literature on its effects usually includes testimony about its value in creating a better match between individual and occupation, or avoiding obvious mismatches. In a few cases a series of work placements have been created in order to provide a variety of experiences (e.g., Grubb and Badway, 1998); some co-operative education programs provide rotation among work positions so that prospective employees can see the variety of jobs a firm has to offer (e.g., Stasz et al., 1996; Villeneuve and Grubb, 1996). The “taster” courses in Denmark and the “exploratories” in the U.S. have some of the same characteristics, even though they are school-based rather than work-based. But the point is that these activities provide a very different kind of information about employment options — experience-based rather than class-based, richer and deeper in every way.

Many of the issues about the breadth and depth of information are related to another problem identified in Section II: the different goals of CI&CG. Because there are at least four groups of potential beneficiaries — individuals contemplating their educational and occupational options, employers wanting to improve the match between their positions and the individuals they hire, educational institutions interested in appropriately-prepared students as well as increasing their enrollments, and society as a whole — it is possible for certain kinds of information and guidance to serve one interest to the detriment of others.<sup>17</sup> The problem of “inward-looking” educational institutions, for example, is a case where the interests of individuals may be neglected in favor of particular schools trying to increase enrollments; the tradition (at least in the U.S.) of counselors judging what levels of education and which jobs might be most suitable for students — rather than facilitating the student's choice — reflects the primacy of social and employer needs (including filling low-quality jobs) over the individual's interests. Some countries have explicitly stated that the primary interests served should be those of the individual, but in other cases explicit social goals have been articulated — as Germany has done in articulating objectives for the Federal Employment Service including counteracting market fluctuations and reducing unemployment (Germany Report, §2.2). The concerns with neutrality of information, the efforts to provide information and guidance from sources outside educational institutions, the incorporation of perspectives from social partners as well as education providers, the experience-based information available in work placements, all can be interpreted as efforts to avoid promoting one set of goals over another. While it is difficult to see much explicit recognition of conflicting goals in the OECD Country Reports, the policies adopted in at least a few countries recognize that it may not be possible to serve all interests all of the time.

The issue of information therefore turns out to be quite complex, since it is bound up with basic conceptions of what institutions provide CI&CG, what the purpose of guidance is, and how far beyond simple information to more complex activities a country should move. These are all issues that must be addressed by public bodies, since the incentives for full and accurate information within private markets are likely to be missing.

## ***V.6. Creating Coherent “Markets” in Career Information and Guidance***

Finally, a number of countries have taken steps to create more coherent “markets” in CI&CG, where individuals searching for information and guidance can find different providers of

education and/or occupational options. The most obvious way of doing this has been to establish new centers of some sort. Thus Sweden has created a network of “infotheques”, or regional guidance centers, to realize economies of scale; these often result from co-operation between a local labor market office and the local community (Sweden Report, §2.4, §2.5). Denmark is preparing to develop a new national organization with local offices, supplementing the efforts that now take place in educational institutions (Denmark Report, §2.4). The One-Stop Centers in the U.S. purport to provide information about education and training opportunities to everyone, as well as limited guidance for some and Job Search Assistance for those who qualify; in many of them, providers of education and training are co-located in the same facility, so prospective students can get information directly from providers.

However, the problems with the One-Stop Centers in the U.S. illustrate some of the problems in creating coherent markets. Information about One-Stop Centers is not yet widespread, and they are often located in inconvenient places requiring private automobiles. A number of providers (including many community colleges) have decided not to participate in One-Stop Centers, so the information available is incomplete. There is very limited information about the quality of education and training programs, and those working at the centers (often called “information managers” rather than counselors) are not allowed to express any views about the quality of programs even when there is clear information. The centers rely on an ethic of consumer sovereignty, implicitly assuming that individuals who come to the centers can use the information available wisely. This particular “market”, while it is centralized, is incomplete on the supply side and assumes that demanders are sophisticated users of information, and it fails to include employers in any serious way — so it is far from a complete market. It might be worth using a series of market-like principles to design more coherent One-Stop Centers — for example, by providing a full range of information (including information about quality), by providing competent guidance and a wider range of activities rather than just “information managers”, and by worrying somewhat more about the abilities of individuals to use information in sophisticated ways — but such an approach clarifies how difficult it would be to establish a coherent market in CI&CG.

The alternative approach has been to regulate different aspects of CI&CG. The most common tactic has been to license or credential guidance counselors. Not surprisingly, this has been most common in the countries like Germany and Austria with a highly-regulated dual system, and in England with its mania for establishing qualifications for everything. The efforts to eliminate conflicts of interest in Germany are another form of regulation intended to enhance neutrality of information. But while regulation can constrain the worst abuses of private markets, it cannot create markets when resources are inadequate, when demand is poorly articulated, when the commodity is so abstract and varies so much in what it consists of — and so this is a limited approach to market-making.

Finally, the experiment in the Netherlands with privatizing and “marketizing” CI&CG is worth considering in a little more detail. Like most countries, the Netherlands used to provide CI&CG through guidance offices linked to the schools. These were then merged in the early 1990s with two other organizations to create 16 regional guidance offices. More recently these were privatized and “marketized” by withdrawing their direct subsidies, allocating guidance funds to schools and employment authorities to purchase services on the open market, and allowing the regional guidance centers to compete for customers in this market. The resulting competition reduced the numbers of regional guidance offices from 16 to 3, reduced the number of employees by 50%, and now CI&CG are offered mainly through the education system itself (with a great deal of institutional autonomy), through 131 new Centers for Work and Income with a three-tiered approach to services, and through private organizations.

There is a widespread view that this policy represents an abdication of governmental responsibility, and that the public aspects of information and guidance have been neglected. In addition, these changes have in effect returned control not to the demand side but to the supply side, to educational institutions and Centers for Work and Income with their own agendas and priorities. It also seems to have recreated a network of centers in shifting from regional guidance offices to Centers



for Work and Income, rather than creating an entirely novel “marketized” arrangement. In addition, there is some evidence that the structure for purchasing guidance and other services has become complex and cumbersome; there are three (or even four) levels responsible for guidance starting with the Centers for Work and Income, but assessment of client need, selection of providers, case management, delivery of services, and quality assurance are all separated and poorly coordinated (Netherlands country note, §6-8, §40 – 44, §53, §54). This is a textbook illustration of how a service that requires coordination among several components may be poorly provided in market-like mechanisms, and how privatization and subcontracting can increase bureaucracy and costs rather than enhancing efficiency.

The examples of the U.S. and the Netherlands provide some cautions for countries that try to establish more coherent markets for CI&CG, given that the “commodity” is so complex, so abstract, and so imbued with public purposes. Furthermore, incomplete efforts to create quasi-markets may be worse than the status quo, particularly if they place inordinate demands on consumers, if they are incomplete in ways that consumers cannot understand, or if they lead to greater bureaucracy rather than less. The images of “perfect” markets may provide some guidance in the efforts of countries to improve CI&CG, but they may also prove to be mirages.

## **VI. Conclusions: Realizing the Potential of Career Information and Guidance**

As countries wrestle with the potential changes associated with the Information Society and the Education Gospel, they have opportunities not only to reconstruct their education and training systems, but also their mechanisms of providing career information and guidance. In the past, CI&CG have largely been afterthoughts, appended to VET programs as it has become clear that students making education and occupational choices need both information and some forms of guidance — and sometimes other more complex activities — to make these choices wisely. As a result such services have often been peripheral, subject to the whims of public financing, the first to be cut in recessions; they have only rarely been integrated into the mainstream of instructional practices. But the changes associated with the Education Gospel — increasing amounts of job-changing, the instability associated with job changing over the life cycle and the demands of lifelong learning, and (in the European context) the additional challenges of moving among countries — indicate that such peripheral treatment of CI&CG is inadvisable. One option is for countries to think of reforms in CI&CG as they reconstruct their education systems. Whether this leads to an agency outside the education providing services, as in Great Britain and Germany, or to One-Stop Centers, or whether it still means a tri-partite system of provision though with greater coordination among the components, will surely vary. The point is that some thought about CI&CG services as a necessary rather than peripheral component of education would prevent some of the current problems of marginalized services.

The conclusion that CI&CG ought to be planned in the process of reforming education programs is particularly important for the countries of central and eastern Europe. Many of these are in the process of reforming their education and training systems, moving away from the centrally-controlled systems of the Soviet era where a great deal of vocational preparation took place in state enterprises, to much more laissez faire systems in which the status hierarchies of institutions follow Western European (or U.S.) patterns. The problem with laissez-faire systems is that they rely on student choices rather than directed decisions, and thus place greater burden on the student-consumer. These are therefore transitions in which the role of CI&CG is particularly important, and following the U.S. or the Australian pattern — of inadequate CI&CG, subordinated to academic and personal counseling, with uneven provision of services and few sources of substantial guidance or more complex activities — is probably a bad idea.

It is probably not a good idea to think of CI&CG as stand-alone services, independent of education and training curricula and independent of what social partners including business groups and labor representatives can do — since such independence reinforces the peripheral status of

CI&CG, and guarantees that valuable sources of information about working life are neglected. Evidently the inclusion of business and labor on planning councils is not sufficient for real participation to take place; instead, the more thorough forms of inclusion that can be seen in countries like Austria and Germany, with a history of cooperation in the creation of VET policies, seem to be more thorough forms of cooperation.

Another conclusion is that, in most countries save perhaps Austria and Germany, the representation of business and labor among those who might value CI&CG is inadequate. In part this is a legacy of the development of VET systems in which the participation of the social partners is relatively weak — as in the U.S. model of vocationalism in which schools and universities have taken over the burden of vocational preparation from earlier apprenticeship-based systems that were found to be seriously flawed.<sup>18</sup> But the consequence is that a potentially important source of demand and funding for CI&CG — as well as a potentially valuable source of information about the working world, and of internships and other work placements so that young people can get more direct information about the nature of work — is missing, surely leading to under-provision of these services. In addition, the absence of any direct representation of employer demand means that — along with the weak representation of demand from student-consumers, if their latent demand is not converted into explicit demand — supply-side determination of CI&CG is common, with the inevitable distortion as institutional priorities displace the need for neutral information and more powerful career-related activities. So the reconstruction of demand might be a priority in a number of countries where the participation of both students and of employers has been relatively weak.

Finally, I note that the current tiered system of providing CI&CG — with a small private sector specializing in placement services for large firms, a sector of conventional publications, and a large public sector — will surely continue. Career information and guidance are services which are difficult to handle through private markets — they are too abstract, too varied in their characteristics, too interdependent with other dimensions of schooling and training and other personal and economic characteristics, too uncertain to be able to predict their effects. The inequities of markets, where the rich inevitably have much greater purchasing power than the poor, affect markets in CI&CG too; this is virtually the opposite of what is socially necessary since upper-income individuals with more information, and guidance from many sources including family, have much less need for CI&CG than do low-income or marginalized individuals without much purchasing power. And the experiments so far with market-like mechanisms to provide CI&CG have not been especially promising. So a continuing reliance on a large public sector is surely appropriate. The question is whether these public efforts can learn from each other, and from the characteristics of idealized markets, to improve both the representation of demand and the characteristics of supply.

In the end, liberalism needs a helping hand. Markets, and the choices individuals exercise within markets, cannot arise without creating the conditions necessary for markets to work well, whether these are markets in tangible goods, markets in abstract services, or financial markets. The role of states is crucial in creating the foundations necessary for these markets to work well rather than working badly, as happens under gangster capitalism, or markets subject to fraud, or the quasi-markets in education and training where many students are uninformed or unaware of the choices they make.<sup>19</sup> So the public role in providing career information and guidance is no different from its role in creating and regulating numerous other markets: its purpose is not to displace markets, but in the end to make sure that they function appropriately.

## FOOTNOTES

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- <sup>1</sup> In the U.S. setting, see Boesel and Fredland (1999) and Rosenbaum (2001) on College for All. Many European and other developed countries have expended their post-compulsory education in the past few decades, and seem to moving toward an American-style version of education with much greater emphasis on university education.
- <sup>2</sup> For OECD material on the Education Gospel, see OECD (2000) and earlier versions.
- <sup>3</sup> On ALMP, see especially various publications of the World Bank; Dar and Tzannatos (1999) provide a recent review of evaluations.
- <sup>4</sup> This information comes in two forms: a country “Response” to an OECD questionnaire, and a Country Note resulting from a visit to the country. The country Responses typically describe policies but not practices; while they vary, they are typically not especially analytic or critical, and they provide relatively little assessment of what practice looks like. The Country Notes are much more evaluative and critical, and provide more information about what actually takes place.
- <sup>5</sup> In these cases education itself is operating as a kid of CI&CG; it is not necessarily a waste if alternative forms of CI&CG are inaccurate or ineffective.
- <sup>6</sup> I provide here only the briefest summary of this issue; it will be the subject of a paper (Grubb, 2002) written for OECD.
- <sup>7</sup> I will use the European convention here of using the term “college” to cover post-secondary institutions providing less than a baccalaureate degree, including community colleges in the U.S. and Canada, Further Education colleges in the U.K., TAFE colleges in Australia, technical colleges and polytechnics in other countries.
- <sup>8</sup> These examples come from the examination of subcontracting in England in Finkelstein and Grubb (2000).
- <sup>9</sup> In the high-art market, for example, Sotheby’s and Christie’s charge the seller 15% and the buyer 10% of the hammer price (neglecting other infuriating charges), so if the hammer price is  $x$  the house gets  $.25x/.85x = 29.4\%$  of what the seller gets, or  $.25x/1.10x = 23\%$  of the total transaction. It doesn’t help, of course, that Sotheby’s and Christie’s have been engaged in price-fixing; this is hardly a competitive market.
- <sup>10</sup> On the difficulties of subcontracting CG&CG, see Watts (1995) for much greater detail.
- <sup>11</sup> See Maguire (2000), as well as two reports summarized therein by Kenny (1997) and Public Policy Associates (1998).
- <sup>12</sup> That is, firms can either pay a 1.5% tax on payroll, or can provide the equivalent amount in training services to their employees. See Canada Country Report, OECD Thematic Review of Adult Learning, for which I was the rapporteur.
- <sup>13</sup> Puente was originally created for community colleges, and then the model was adapted for high schools. One the Puente program and its effects, see Gandara et al. (1998); on the role of counselors, see Grubb, Lara, and Valdez (2001). There’s also one Puente-like program for African-American students.

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- <sup>14</sup> These reforms are described in Grubb, Ryken, and Legters (2002) for the National Research Council, and in Grubb (1995); see especially McCharen (1995).
- <sup>15</sup> See, for example, the reports of the OECD Thematic Review on Adult Learning. Unfortunately, this set of country studies did not explicitly ask about CI&CG, though the lack of much information in the Country Notes suggests how limited it is.
- <sup>16</sup> See, for example, the responses in country reports to section 11 of the OECD questionnaire, on assuring quality.
- <sup>17</sup> There is an argument that serving individual interests always coincides with enhancing social interests (e.g., Hiebert and Bezanson, 2000, p. 9), but this is clearly untrue since there are so many complaints about counseling that involve cases of serving social or employer interests at the expense of individual interests.
- <sup>18</sup> David Soskice has made a distinction between institutionalized VET systems, as in countries with the dual system, and market-driven VET systems, as in most of the English-speaking countries; see Soskice (1994). See Grubb and Lazerson (in progress), Ch. 5 and Ch. 9, for the American model of vocationalism contrasted with those in other countries.
- <sup>19</sup> Grubb and Lazerson (in progress) further develop the notion of a Foundational State, one that creates the preconditions or foundations for both markets and democracy to work well rather than badly.

## APPENDIX

### Sources of information from the OECD Review of Career Guidance Policies

Australia:	Country Note, April 2002
Austria:	National Report, Nov. 2001
Canada:	Country Note, July 2002.
Denmark:	Policies for Information, Guidance, and Counselling Services in Denmark, Dec. 2001. Country Note, April 2002.
England:	OECD Review of Information, Guidance and Counselling Services: England, York Consulting and dDfES, Feb. 2002.
Finland:	Draft for the Finnish Response, Jan. 2002.
Germany:	Policies for Information, Guidance and Counselling Services, April 2001. Country Note, June 2002
Iceland:	Icelandic Report to a National Questionnaire, July 11, 2002.
Ireland:	Responses from the Ministries of Education and Science and Enterprise ,Trade, and Employment, undated. Country Note, April 2002
Luxembourg:	Country Note, July 2002.
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