

Chapter 11

Working in co-working spaces: the social and economic engagement of European youth

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INTRODUCTION

Jurij Lozic is a young Slovenian in his late twenties. He discovered fixed-gear cycling during his studies on industrial design in Ljubljana and soon found himself fascinated by these unique bicycles. In 2008 he attended a six-month exchange programme in Milan, Italy. While living there, he made his first fixed-gear bicycle and quickly identified an unfulfilled need for a light, simple and removable bicycle mudguard. With some market research, he soon realised that there was no such thing on the market and decided to design one himself. An original idea was born. While developing his new product, he got in touch with a local polypropylene manufacturer and made his first removable, rollable bicycle fender, simply called Musguard. Jurij realised the potential of his product, but did not have the resources to execute his idea on a larger scale.

Several years went by and Jurij, now a fresh graduate, was ready to choose his career path. The reality, however, was that he was only one of many with a similar ambition. Slovenian specialist design services were not employing at that time and, faced with the vicious unemployment circle, Jurij decided to try out as a freelance designer. In late 2012, he joined the casual working events – so-called Jellies – organised by the local co-working initiative in Ljubljana's cultural centre, where he met various young professionals from different work fields: event managers, IT developers and musicians. They met once or twice per week, since they did not have permanent space; Ljubljana's cultural centre offered them a place to work only when they had not organised concerts and other cultural events. As a result of successful collaborations and newly established networks between freelancers, the aforementioned local co-working initiative was trying to raise funds to establish a permanent workspace – the first co-working space in Ljubljana. In short, co-working space is a workspace, often with cafe-like, library or gallery elements incorporated into it, where members work and form a community that shares values and creates synergy through collaboration.

Jurij soon discovered that people working in a shared work environment bounce ideas off their fellow co-workers, grab coffee together and share introductions or recommendations for their business ideas. At that time, he was reminded of his fender and presented the idea to his fellow co-workers. Amazed by the simple and clever product design, they pooled their strengths and started mapping the European market. Well aware of the economic situation in Slovenia, where high-risk investments have virtually stopped, they searched for another path to get their hands on a much-needed initial investment and finally decided to use small amounts of capital from a large number of individuals to finance the small-scale production and distribution of Musguard. This approach, inspired by the crowdsourcing philosophy, is also called crowdfunding.

Typically, campaign funding and its respective transactions are conducted online, through specialised crowdfunding Internet platforms – Jurij and his colleagues decided to use Kickstarter, a platform for funding creative projects, as the product's initial launch medium. The team began working on a marketing strategy, with promotional material in the form of video, music and text. Finally, in May 2013, the Kickstarter campaign was approved and successfully launched. In less than a month, the project raised over 40 000 euros, which meant that Jurij was finally able to realise his idea. A story of success? Definitely. But without the community, which shared its knowledge, experience and social connections, Musguard would probably still be stashed in Jurij's drawer.

WHEN CRISIS STRIKES

The European debt crisis, which began sometime in 2008, had extensive negative effects on the European population, particularly on young people across the European Union. Recent research conducted by Eurostat (2013) shows that, in mid-2013, youth unemployment rates (persons aged between 15 and 24, both university graduates and youth without qualifications) were higher than unemployment rates for all other age groups. Even more concerning are the figures which show youth unemployment rates in individual European countries. There are only three countries in the European Union – Germany, Austria and the Netherlands – with a youth unemployment rate below 10%. On the other hand we have countries like Greece, Spain, Portugal, Italy, Slovakia and Ireland with youth unemployment rates above 30%. If we look closer at the Eurostat figures, we find that the highest unemployed rates are among people with primary education or lower. Yet higher education does not guarantee a decent job. The latest statistics show that nearly one in ten young graduates was believed to be unemployed six months after graduating and that Europe is failing in the fight against youth unemployment (Spiegel 2013).

This tells us that a degree from a well-respected university with above average marks is not necessarily enough to ensure employment after graduation. In many cases, it does not only take months, but years for graduates to get their hands on their first employment opportunity. Many young people raised their voices and started actively thinking about how to increase their employability. If one cannot get full-time (or even in many cases part-time) employment, why should not he or she think about creating one? How can Europe contribute to this subject and tackle soaring youth unemployment? Europe and the world as we know it are rapidly changing and we

are entering into a new phase of society. Employability issues, along with many other factors, such as the effects of the digital social revolution, are disorienting us, but also helping us push individualism aside and again find the basis for every society – sociability, one of our core virtues, which plays a major role in almost every aspect of our lives, as both cause and effect (Shirky 2008: 14). This is where the social economy makes its mark. In the last few years the public and private sectors embraced a wide range of rapidly increasing community activities. We can talk about the social economy when, in short, we combine different communities with their views on their social and economic needs.

A report on the social economy, prepared in 2007 by CIRIEC (International Centre of Research and Information on the Public, Social and Cooperative Economy), and including the most recent update in late 2012, outlines the role of the social economy with the following words:

Social economy has not only asserted its ability to make an effective contribution to solving the new social problems, it has also strengthened its position as a necessary institution for stable and sustainable economic growth, fairer income and wealth distribution, matching service to needs, increasing the value of economic activities serving social needs, correcting labour market imbalances and, in short, deepening and strengthening economic democracy.

– CIRIEC 2012, 16

This report embodies a comparative and conceptual study of the situation regarding the social economy in the European Union and somehow reflects its evolving policy around the subject. But why is it that, since the start of the new millennium, economic systems within Europe have become more knowledge intensive, but social inequality, both within and across countries, is increasing? (Archibugi and Lundvall 2002)

Europe 2020, a ten-year strategy proposed by the European Commission in 2010, set several priorities to help push the European Union out of the crisis and recognised entrepreneurship and self-employment as key factors for achieving smart, sustainable and inclusive growth. Entrepreneurship as the key factor for creating jobs is also addressed by initiatives like “Agenda for New Skills and Jobs, Youth on the Move – Initiatives on Education and Employment and European Platform against Poverty and Social Exclusion”. These initiatives aim to show young European people – university graduates and those with lower qualifications – as well as the general public and national policy makers that entrepreneurship is one of the avenues for unemployed youth to create their own work place. As the Europe 2020 strategy suggests: “Job creation through the establishment and consolidation of new businesses plays a key role in achieving the Europe 2020 objectives: a significant number of new jobs in the European Union are created by newly established firms and almost 85% of these jobs are created within micro-firms.” (European Commission 2010, 4)

The Union, however, is far from exploiting its full potential in this matter. One of the major obstacles to business creation used to be the lack of access to investments, which has been exacerbated by the recent economic crisis. Intensively linking different professional profiles could simplify the creation of innovative start-up companies, incubate fresh ideas and push the European economy towards its unachieved potential.

THE RETURN OF COMMUNITY

At the end of May 2013, France and Germany were the first two EU member countries to announce their plans to establish a “New Deal” for Europe’s young jobseekers – a programme that would aim to tackle the continent’s youth unemployment rate. The plan is sophisticated and complex, yet its basis is to follow the already-tested model used by the United States’ government during the Great Depression in the 1930s. In the coming years, France and Germany plan to use six billion euros in loans pledged by the European Union to help fund apprenticeships, provide credit to small and medium-sized businesses and encourage mobility between member countries (Euronews 2013). The Europe 2020 strategy has finally been recognised as one of the avenues for unemployed youth to get into a job or self-employment by creating small businesses.

But how can these companies be established? On one hand we have numerous young professionals who have plenty of knowledge in a certain field. On the other, we have a globalised, technologically civilised society, where technology has made the world impersonal and distant. In the last two decades, the world as we know it has become more individualised than ever. But our never-ending quest for progression and expansion can help us realise that modernisation and technology – in terms of communitarianism – has many positive aspects as well.

Jackson (2013, 3) offers us a well-written recap on the current situation:

We are living in an information society, on the cusp of the knowledge economy where our know-how is as much an economic resource as our labour, the first generation of digital natives are entering the workplace, the global job market is in the news every day and half of all college graduates cannot find work. We hold in our hands these amazing new tools for sharing and communication; the mobile Internet and the cloud. Recent years have seen the rise of collaborative consumption due to the efficiency of peer-to-peer exchanges in our networked world. Most significantly, by 2015, the world’s mobile worker population will reach 1.3 billion, representing 37.2% of the total workforce according to a report from IDC in January 2012.

A solution may lie in re-establishing the community (both locally and worldwide) and increasing collaboration between individuals. Let us remember Jurij’s success story and his collaboration with fellow young professionals when launching his business idea. Jurij was (and still is) a talented industrial designer, but he lacked knowledge on creating marketing strategies, building web pages and launching crowdfunding campaigns. Sure, one can say that he could simply outsource different professionals, but would he make it without sufficient financial support? When Jurij found his new colleagues at one of the Jelly events, not only did he dig into the pool of young talent, but he also found something else – a community of young professionals, whose ideas are based on sharing knowledge, expertise and other resources. They are taking the social economy to another level and mixing it with the innovative knowledge-based economy, simply by organising themselves and basing their efforts on a system of values and beliefs, which return us to society’s roots – to the community.

Shirky (2008, 14-15) describes community very simply:

[Community] is not just the product of its individual members; it is also the product of its constituent groups. The aggregate relations among individuals and groups, among individuals within groups, and among groups form a network of astonishing complexity. We have always relied on group effort for survival; even before the invention of agriculture, hunting and gathering required coordinated work and division of labour.

European youth is trying to survive. Many have already recognised that they are better off within a group and are looking for others who think alike, not only within the national borders of their country, but far beyond – on the transnational level. How could the European Union speed up the process of spontaneous networking between different young professionals and encourage them to establish small businesses? A solution may be at hand.

A CHOICE NOT TO WORK ALONE

In the past two years, co-working has experienced a boom and become a global phenomenon. In essence, co-working represents a deliberate choice not to work alone. It is a modern way of working for entrepreneurs, self-employed individuals and other professionals, who are encouraged by today's socio-economic factors to permanently or periodically share working space with others from either related or completely different work areas. Co-working is more than just a common, sharable physical space – it is a philosophy that encourages spontaneous networking between professionals of various profiles and interests (e.g. engineers, journalists, graphic designers, project managers, etc.). The co-working environment has a direct influence on social and operative interactions among the individuals involved and emphasises the psychological and social importance of such interactions. According to Botsman and Rogers (2011, 169): “Co-workers describe what their shared workspaces mean to them not in pragmatic terms but with emotional expressions such as hubs of interactions or fraternities of mutual interests. The spaces themselves vary in terms of perks and culture, but they are all based on combining the best elements of a coffee shop (social, energetic, creative) and the best elements of workspace (productive, functional).” Thus, this type of environment encourages innovation and represents a promising solution to reviving the economy and creating a better society.

Because in a co-working space “members pass each other during the day, conversations get going, and miraculously idea-fusion happens with everyone benefitting from the shared thinking and brainstorming” (DeGuzman and Tang 2011, 9), we can say that this type of environment generates society with a mind-set based on a crowdsourcing philosophy. Crowdsourcing values drive down market value of once high-priced professional products and services, allowing young professionals to compete in the market, mainly with high-end innovative services and products. Thus, one of the key things in every co-working space is social engagement in a community of like-minded people.

Co-working spaces in the European Union are widely used by young people who are working independently and who believe in mutual collaboration, exchange of ideas,

skills and information. They share the idea that individuals who share workspace enjoy greater productivity, are faced with increased creativity in their work process and have a higher success rate in the market with either their products or services.

Some of the co-working spaces with most developed communities in Europe are located in Berlin, London, Paris and Prague and have several hundred members from all around the world. We are witnessing more and more transnational collaborations, which are direct results of networking between young entrepreneurs, the self-employed and professionals who work or have worked in different co-working spaces. As we enter a new phase of society, European youth needs to adapt to the current economic situation and stop searching for a dream job – they need to create one. Co-working follows the motto “for the people by the people” and offers all the resources needed to do so.

CONCLUSION

Co-working is a modern way of working for entrepreneurs, self-employed individuals and other professionals who share working space and establish networks, which serve as the basis for new start-up companies. Since the European debt crisis, many young people are faced with high unemployment rates. Therefore, many young individuals from different backgrounds started to form small communities, based on the same mind-set of sharing and helping each other while realising their business ideas.

Since a lot of these young professionals are self-employed and are using new technologies in their work process, they are extremely flexible and are able to work from different locations. Because of that, there is a need for physical space with an applied model, which encourages spontaneous networking between professionals of various work profiles.

By establishing more co-working locations across the European Union, especially in the capital cities of its member states, European youth will have the environment to get actively engaged in collaboration with young professionals from various work fields and pursue the positive outcomes of the social and innovative knowledge-based economy.

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