Youth Partnership

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Analytical paper[1]
ACTIVITY AND OCCUPATION

Theme 5: Learning and training & Theme 6: Working and creating

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This analytical paper briefly explores issues related to (1) the relation between young people and the labour market and (2) formal and non-formal learning and training as means for supporting young people's personal and professional development. The paper is largely informed by the discussions among participants at the Symposium 'Youth Policy Responses to the Contemporary Challenges Faced by Young People', Prague 12-14 June 2017.

The paper touches upon the major transformations in the world of work, in an attempt to nuance the debate on youth employment vs. unemployment. It argues that whilst youth unemployment is an important concern, employment is not free from dilemmas, either. Some legitimate concerns related to employment, are: in-work poverty, underemployment, overqualification (overeducation), *precarious jobs* and de-skilling. The paper also interrogates some of the transformations brought by the *gig economy*, by traineeships and internships (e.g.

[1] The opinions expressed in this work, commissioned by the European Union–Council of Europe youth partnership, are the responsibility of the authors and do not necessarily reflect the official policy of either of the partner institutions, their member states.

the weakening of social rights). It explores issues related to formal and non-formal learning, such as the strengths and limitations of the vocational education and training (VET). Ultimately, the paper interrogates the call for youth organisations to engage in *entrepreneurial learning,* by looking at the implications of this pursuit for the youth field and youth work. It questions whether the strong legacy of youth work activism, with its focus on social justice and bottom-up approaches can, indeed, be reconciled with the agenda of entrepreneurship that involves risk taking, boldness and competition.

The rising Euroscepticism, the risks of youth radicalisation, the refugee crisis and the pressing environmental problems add convoluted layers of concern that call for responsible citizenship. Youth work has a legacy of activism which incorporates a focus on social justice and bottom-up approaches. It questions the unjust *status quo* and promotes critical thinking (Pantea, forthcoming, 2018). A large part of the youth work community is attached to these values and call for avoiding the risks of instrumentalisation, whilst strengthening connections with other sectors, as expressed in the 2nd European Youth Work Convention, 2015 (EYWC, 2015: 6).

While the crisis is not only economic, but also social, political and moral in nature, one may ask if concerns with employability and entrepreneurship in youth work are, indeed, part of its mission. An important question is what is left out when engaging with entrepreneurial learning, for instance, and to what extent the values of youth work such as cooperation, solidarity are compatible with what entrepreneurship stands for (see also Smyth, 2010; Pantea, 2015). Overall, as argued by Roberts (2017) in the key-note speech of the Symposium, it is not within the possibility and role of youth policy to solve economic problems. However, youth policy *must* advocate and stand for young people's interests. This entails increasing the awareness among policy makers on the impact the current economy has on young people. It needs to interrogate, for instance, the rhetoric that positions employment as inherently 'good', as *employed* young people are not necessarily faring much better when compared with their *unemployed* peers.

Beyond the *employment vs. unemployment* divide

In recent years, the very nature of work has changed and processes that started long ago – such as an alarming growth in youth unemployment - are accelerating or gaining aggravating dimensions. According to the EC (2017), while youth unemployment in the EU has decreased

from its historic high of 23% in February 2013, to less than 19% in August 2016, it is still double the overall unemployment rate in the EU, and in several countries, youth unemployment is over 40%. **Unemployment** has far-reaching consequences for young people beyond economic, including loss of confidence, undermined trust and expectations, and greater risk of social exclusion and disengagement from society (Schroeder, 2014). Transition to autonomy tends to be postponed, whilst evidence starts to speak about worsening mental health in the context of youth *under*employment (Miller and LaMontagne, 2016; Roberts, 2017).

The causes of youth unemployment in the EU are difficult to isolate, and likely to involve a multiplicity of factors including skills mismatch, but also a weak demand for jobs (Williamson, in Gotev 2014; Şenyuva, 2014). Policy interventions are often using the concept of **employability.** This approach suffers from a very weak theoretical base, a volatile meaning and the tendency to uncritically project on young people the onus for market-dysfunctions and inefficient policies (Williamson, in Gotev 2014, Bloom, 2013). Moreover, despite employment being an important element in rising young people's quality of life, still, an alarming number of employed young people face problems with sustaining themselves with their salary (Krzaklewska, 2013; Eurofound, 2007). The concept of **working poor/ in-work poverty** summarises this situation. Thus, as argued by Roberts (2017), we need to interrogate the rhetoric that positions employment as inherently 'good', as *employed* young people are not necessarily faring much better when compared with their unemployed peers.

Besides unemployment, the concept of **underemployment** calls for policy attention. Broadly, it refers to situations in which people work fewer hours than they desire or are educated beyond what is necessary for a job (Roberts, 2017; Standing, 2011). While the beginning of one's career is often characterised by **overqualification or overeducation**, today's young people tend to remain in jobs that require a lower level of qualification, for longer time. Europe has the most educated generation in its history, which does not result in young people having jobs in the areas of their qualifications. An alarming number of graduates work in other fields than the ones they studied and have jobs that require lower skills than their own and which offer limited opportunities for professional development. The first EU-28 survey on skill mismatch indicates that 25% of young employees in Europe are overqualified for their jobs and, for the younger workers, the skill gaps is the greatest (Cedefop, 2016).

According to Standing (2011), overeducation is a 'historically unique' defining feature of ***the precariat***. This is a condition characterised by job insecurity, low wages, weak of absent social support systems such as unemployment benefits and insurance. Importantly, *precarious jobs* are associated with a weakened sense of belonging. The significance attached to work as

an identity marker is diluting (e.g. work is merely a 'way to pay the bills' cf. Koeber 2002 and less a source of pride). Guy Standing developed the concept of *precariat* by arguing that a growing number of jobs are de-skilled, alienating, project-based, fragmented and that nobody is protected from entering joining it.

There are reasons to argue that young people are at higher risk of entering *the precariat*: as new workforce entrants, they often have fewer social security rights and lower pay (see, for instance, the wide-spread abuse of the probation period). Whilst flexibility enables many to continue their studies or to meet other demands (e.g. caring for a dependent child or parent), many young people work part-time or have short-term contracts despite willing to have stable full-time work. Furthermoe, the power of trade unions diminished and yet when they do have a voice, they are prone to defend the good working conditions for those already employed and less keen on fighting for the new entrants.

The decrease in traditional employment models is paralleled by an increase in freelance work. This process is much accelerated in the US where, by 2020, it is forecast that contingent workers will exceed 40 per cent of the workforce (Ai Group, 2016). This process is known as ***gig economy:*** an increasing number of workers abandoning traditional 9 to 5 employment in favour of working independently on a task-by-task basis for various employers (Ai Group, 2016). The *gig economy* is shaped by digital freelance marketplaces (digital talent platforms linking workers and employers). Whilst many young people cherish the flexible working arrangements and the co-working spaces, *gig economy* brings issues that call for policy and legal action. Major concerns are related to the loss of social protection (e.g. sick leave, health insurance, pensions, childcare leave, paid holiday and unfair dismissal, among others). For employees, *gig economy* creates fragmented work trajectories, as it is 'project based'); it allows less predictability in building up a career and generates long-term uncertainty. For companies, the advantages are obvious: wider access to hyper-specialised talent, increases in productivity and major cost savings, including offshore tax arrangements and externalisation of maintenance costs.(Ai Group, 2016). Just as entrepreneurship, participation in *gig economy* can be a choice, but also a solution of last resort in the absence of long term, secure employment. According to Roberts, (2017) one needs to question whether *gig economy* is entrepreneurialism or 'bogus self-employment' (entrepreneurship by necessity), if it is about young people, or it touches upon the lives of other groups, and whether it promotes a 'grey' economy.

Traineeships and internships are meant to bring young people closer to the world of employment in terms of skills and social capital. However, it is uncertain whether, and to what extent, these are indeed important 'stepping stones' for young people to access labour market,

or 'dead-ends'. Despite their popularity, during job interviews and recruitment processes traineeships are not always considered as actual job experience. Indeed, in the last years, different stakeholders have expressed their concerns regarding quality of internships. The European Youth Forum (YFJ) developed a European Quality Charter on Internships and Apprenticeships, An Employers' Guide to Quality Internships and has been strongly engaged in fighting unpaid internships. As of 2017, YFJ lodged a collective complaint against Belgium for banning unpaid internship (YFJ, 2017). A rarely discussed indirect effect of unpaid internships is that they further entrench inequalities among young people, with those who are better off being able to engage in unpaid work (Weissman, 2013).

The global financial crisis increased the vulnerability of young people, especially the ones with lower education (Roberts, 2017). The divides and inequalities *within* generations (given by class, ethnicity and sometimes gender) gain weight in shaping educational and working trajectories (France & Roberts, 2017). For homeless young people, those in need of care or with disabilities, the disadvantages are the hardest. For instance, despite progressive inclusion policies and legislation (including the establishment of quotas), in many European countries, a higher percentage of people with disabilities were in work 40 years ago, than today. In 1970s, as many as 75% of men with disabilities having no qualifications were employed in Scotland, c.f. 38% in early 2000s (Riddell, 2014). The high level of unemployment among people with disabilities is still awaiting policy intervention.

Formal and non-formal learning

Both formal and non-formal learning are moving to the centre of the youth policy agenda in a context shaped by the labour market changes described above and by major social transformations. Concerns related to skills mismatch[2] gain policy interest. Yet, the actors involved (e.g. schools, universities, employers and young people) have different perspectives on 'work preparedness' (EC, 2016). On the one hand, employers argue that the skills young people acquire in formal education are less relevant for the labour market. Recent data indicates that 40% of European employers have difficulty in finding people with the skills they need to grow and innovate (EC, 2016). On the other hand, schools and organisations offering non-formal

[2] Skill mismatch can include both under-qualification and over-qualification.

learning opportunities need to assist young people in navigating complex social and political environments.

Vocational education and training (VET)

A 2010 and 2020 forecast of employment change in the EU-27 argued that in the following period as much as two thirds of overall employment growth would be concentrated in the category "technicians and associate professionals". This is the (one of nine) category most closely linked to postsecondary VET (OECD, 2014). As of 2012, this category represented as little as 15% of EU employment (CEDEFOP, 2012). Against this background, it is not a surprise that, increasingly, vocational education and training (VET) is seen as a response to the shortage of qualified personnel in mid-level technical positions. Indeed, many European countries move towards reforming and reinstating the attractiveness of VET. In many states, the number of young people in VET is expected to increase in the next years. Besides, there is a wider expectation that, especially at post-secondary level, in some countries VET systems can help reduce early school leaving by offering an alternative to general education (OECD, 2014). Many approaches combine work with more theoretical, school-based teaching and strongly involve businesses (e.g. the German *dual model*).

However, in many European countries, VET faces critical limitations and dilemmas. As it takes place at an age of mandatory education (ISCED Level 3), the emphasis on job-preparedness might come too early for some young people. Besides, when providing training themselves, employers may focus on very specific skills that may not ensure transferability in other workplaces. VET (especially the manufacturing and technical) is far more expensive than academic education. In the current changing economic climate, small employers are less able to contribute to training provision. Schools, on the other hand, cannot keep pace with the fast technological progress. Equipment and curricula are rapidly becoming outdated. Under these circumstances, big companies are better positioned to influence the practice and, often, the policy processes.

VET is in need of interrogation. It is, for instance, hard to imagine a system able to meet expectations coming from so many areas: poverty alleviation, social inclusion, school dropout prevention, but also innovation and economic performance. Policy reports abound, often with weak research backing. VET has been named 'a policy in need of a theory' (McGrath, 2012). With very few and remarkable exceptions (Powell, 2012; McGrath, 2012), the voices of young

people in VET have been rather absent from research, but also from reform processes. This creates the need for youth studies to develop qualitative research based on the views of young people in VET themselves.

Entrepreneurship and entrepreneurial learning

In a similar vein with VET, entrepreneurial learning takes place in a context loaded with high expectations: from innovation, to job-creation and income-generation. There is a high policy consensus that Europe needs more entrepreneurs, more innovation and more high-growth SMEs. Nearly 99% of all European businesses have fewer than 250 employees; they employ two thirds of the total private employment, generate about 58% of the EU's turnover and have the highest increase in job creation (Eurostat, 2015). Youth policies promote the idea that education (from primary school to university and beyond) needs to stimulate the entrepreneurial mind-sets of young people. A major trend has been for many youth organisations to start providing trainings in entrepreneurship for young people. When youth organisations standing for social justice, critical thinking and solidarity, with less expertise in business, start providing entrepreneurial education, major concerns and dilemmas arise (e.g. mission drift, competing priorities and identity issues) (Pantea, forthcoming).

Nevertheless, entrepreneurship is not a homogenous concept. Previous research distinguished between entrepreneurship *by choice* (when other possibilities, such as decent employment, are present) and entrepreneurship *by necessity* (when other possibilities, such as decent employment, are not present) (Naudé, 2008). These last entrepreneurial initiatives are pursued as a response to personal and community hardships, focused on personal survival more than on innovation (Ridley-Duff and Bull, 2015). Often, minority and women's entrepreneurship is a consequence of discrimination in the labour market. The difference between the two emerged after the discovery that over half of all workers in the developing world are self-employed, without this being necessarily linked to high productivity, growth or innovation (Margolis, 2014). It is uncertain whether entrepreneurial trainings need to be tailored according to this distinction.

Interestingly enough, in a recent Report[3], the World Economic Forum argues that whilst Europe lags behind many parts of the world in terms of business starts, a 'hidden aspect of European innovation' is *intrapreneurship*, (also known as *entrepreneurial employee activity*), which refers to employers formulating and implementing new ideas at their workplace, rather than starting their own businesses. it appears that 'Europe doesn't lack entrepreneurs; they just choose to innovate inside larger organisations' (GEM and WEF, 2016). The report calls decision-makers to consider intrapreneurship when designing policies. The prevalence of intrapreneurship ranges from almost 0 to 10% from countries' working-age population (WEF, 2017).

However, there are still unsolved dilemmas on the competences needed by those providing entrepreneurial trainings to young people and on the implications of this trend for youth work. Often, entrepreneurial learning brings a strong focus on aspects of commercialisation and marketing, and on management structures modelled after profit-maximising companies. Yet, this approach creates a partial (if not misleading) image on what entrepreneurship actually entails. For instance, entrepreneurial learning is often weak on identifying an economic need[4] and on issues of common ownership and co-management; moreover, trainings rarely go beyond commercialisation, by engaging with issues of production of capital. The complexities of social entrepreneurship (mission drift, sustainability outside grants) are often underestimated. Ultimately, learning on alternative business models such as cooperatives or mutual associations is important in a context that needs 'a radical departure from the subordination of the social to the economic' (Yi, 2013).

[3] World Economic Forum (2017) *Europe's Hidden Entrepreneurs Entrepreneurial Employee Activity and Competitiveness in Europe*. URL: http://www.smeacademy.eu/uploads/5/2/4/2/52422965/wef_entrepreneurship_in_europe.pdf

[4] based on participants' input during the thematic group 'Learning and training', at the Symposium 'Youth Policy Responses to the Contemporary Challenges Faced by Young People', Prague 2-14 June 2017.

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