

# Youth unemployment and the ‘enrolment cure’: a case for skills before schooling

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Without a doubt, too many young adults across the Commonwealth are ensnared in a prolonged economic crisis that has no quick end in sight. The United Nations International Labour Organization (ILO, 2013b) warns that ‘by 2018, the global youth unemployment rate is projected to rise to 12.8 per cent, with growing regional disparities’, especially in Asia. How education policy-makers and planners might address this issue has been the subject of multiple reports, most prominently the latest UNESCO Global Monitoring Report (GMR) on Youth and Skills, which focused on Education for All’s much-neglected Goal Three. Within these documents, however, one finds less debate than the issue deserves. Almost universally, one finds a narrative telling readers that enrolment in formal schooling must be increased, with appropriate attention on quality and equity, and that there are clear and obvious social and economic benefits to such expansions.

Though the world has become more literate and acquired more skills for the modern economy because of the massification of formal schooling, it hasn’t overcome some key challenges. The ILO’s most recent Global Employment Trends (2013a, 2013b) is a prescient point of entry to explore the nuances of the links between skills, jobs and the limits of focusing on enrolments. What emerges are significant differences between education-focused reports like UNESCO’s GMR and the economic-focused reports like the ILO’s. The latter’s report suggests that many countries are producing more graduates than their economies can absorb. Even more troubling, UNESCO warns us that many children enrolled in formal schooling are learning very little (2005) and that despite Education For All’s focus on universal enrolment, the number of out-of-school children is actually growing (UNESCO, 2011). After exploring these issues, an alternative vision of education and skills is presented and contextualised with the High Level Panel’s post-2015 education recommendations.

## The economic environment for youth

The ILO attributes the youth jobs crisis to ‘macro imbalances [that] have been passed on to the labour market to a significant degree’ (ILO, 2013a). What they mean is that there are structural reasons recessing market demand that, in turn, perpetuate the economic crises that feed and generate unemployment, underemployment and wage stagnation. This arrived in force with the sub-prime mortgage crisis that triggered bankruptcies and the stock market crash in the United States. This tightened global credit markets, rocked currencies and foreign reserves around the world, and significantly slowed global trade. All of this led to businesses and consumers holding on to whatever money they hadn’t already lost, suppressing overall economic demand.

After the panic froze markets around the planet, an ongoing political crisis developed in the United States and eurozone over the exploding government debts incurred to offset the revenue shortages that accompany economic downturns. This was often resolved by highly controversial austerity policies that cut government spending at the same time that consumer and private-sector demand had retracted. These policies are of the same spirit to those which John Maynard Keynes criticised in 1937 to develop his ‘General Theory of Employment, Interest and Money’.

Today, we’re left with the impact of ‘negative feedback loops from households, firms, capital markets and public budgets that have weakened labour markets’ (ILO, 2013a). In the United States, this has more simply been called the ‘jobless recovery’. Credit markets opened up again, allowing investors to find profits in ever more novel quarters, but the baseline pre-crisis economic situation hasn’t returned. A political crisis over debt continues to fester in the United States, the European Union and now even China. The ILO warns that the impacts of these crises disproportionately impacts the South, with three-quarters of the increase of 4 million unemployed in the South, ‘with marked effects in East Asia, South Asia and Sub-Saharan Africa’ (ILO, 2013a).

## Education in the economic environment

Using the language and ideas of complex systems, the ILO’s description of the global economy is that of systemic feedback loops carving out basins of attraction in many regions that make the economic environment unfavourable to job and wage growth. In such an environment, solutions do not come cheap or easily. For instance, the ILO warns that a ‘skills mismatch on youth labour markets has become a persistent and growing trend’ (ILO, 2013b). More than being a one-dimensional problem of a lack of skills-based human capital, ‘over-education and over-skilling coexist with under-education and under-skilling, and increasingly with skills obsolescence brought about by long-term unemployment’.

This is strikingly evident in tertiary enrolments in China, which is experiencing devastating graduate unemployment rates. In a survey of Beijing students, ‘only 35% of soon-to-be college graduates had found jobs’ and for postgraduates, ‘merely 26% having signed an employment contract’ (Gu, 2013). What’s even more striking – and telling – is that the manufacturing sector is hiring at nearly the same wages as entry-level white collar work, but graduates are not taking the jobs. Thus the massification of education is simultaneously part of China’s labour and economics problems, even though it’s one of the primary drivers of the country’s spectacular economic transformation. We see similar tertiary



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graduate under- and unemployment issues in Commonwealth countries like Nigeria, South Africa, India and even advanced economies like the United Kingdom.

In aggregate, looking at primary through tertiary, how do years of schooling (expanded enrolment) and basic skills correlate to the type of national economic performance that creates jobs in the Commonwealth? Gross Domestic Product (GDP) per capita, the most conventional economic development metric, and Hidalgo and Hausman's (2010) Economic Complexity Index (ECI) are used here as economic performance metrics. ECI attempts to measure the latent human capital in a society with a focus on modularity, assuming, for instance, that having the human capital to produce export-ready boat engines likely means that making similarly sophisticated automobile engines is equally feasible, and that with the right mix of latent human capital potentials an economy might have the capacity to competitively export cars. They find that ECI is one of the best predictors of future economic growth yet developed.

The performance of average years of schooling for adults over the age of 25 and adult literacy rates, imputed literacy rates drawn from the same data and methods used in the 'Education in the Commonwealth' report for the Conference of Commonwealth Education Ministers (Menefee and Bray, 2012), are used below to test for correlations with the economic performance metrics among countries in different Commonwealth regions. Unfortunately, there isn't enough ECI data to compare Caribbean and Pacific Commonwealth countries as a grouping.

In the advanced economies of the Commonwealth, there is a negative Pearson's correlation coefficient between increased average years of schooling for adults over the age of 25 in both GDP per capita (-.05) and ECI (-.89). These numbers reflect rising secondary completion and tertiary enrolments in advanced economies, as the median is 9.9 years of schooling. Explaining why more education correlates to lower economic performance is beyond the scope of this paper, and more advanced maths that controls for other variables might nuance or reverse this finding. The small sample size might itself be at issue.

In African Commonwealth countries, with a median of 6.1 years of schooling and an adult literacy rate of 72.3, schooling outperforms literacy rates in correlating with GDP per capita (0.23 versus 0.12), but both are very low numbers, and literacy rates outperform schooling in correlating with ECI (0.63 versus 0.47). A similar picture emerges in Asian Commonwealth countries, with literacy having a stronger correlation with ECI than schooling (0.55 versus 0.44), but schooling and literacy having almost the same correlation with GDP per capita (0.54 and 0.53). Asian Commonwealth countries have a median of 6.3 years of schooling and an adult literacy rate of 89.3. The learning outcome inefficiencies of mass enrolment drives are perhaps most evident in the correlations between schooling and literacy rates, which are 0.69 in Africa and 0.73 in Asia.

## Under-learning, miscounting and missing out

One reason schooling is sometimes failing to correlate strongly with economic performance is that the quality of schooling, and the quality of our educational metrics, often varies wildly. So while on

one hand we see that even those who have been given a quality education often struggle to make use of their skills and education, the situation is often worse for many of those on the edges – those out of school or those who have only recently been brought into formal education through massification drives. UNESCO's Goal Six-focused collaboration with the Brookings Institute through the Learning Metrics Task Force (Brookings Institute, 2012) informs us that, 'at least 250 million primary school-age children around the world are not able to read, write or count well, even for those who have spent at least four years in school'. Even in the better schools, the rise of shadow education indicates that students are learning less than they expect or need to for their personal ambitions (see Bray, 2009).

Data from the Brookings Institute's Africa Learning Barometer shows that '61 million children of primary school age – 1 out of every 2 kids – will reach their adolescent years unable to read, write, or perform basic numeracy tasks', and that '37 million African children will learn so little while in they are in school that they will not be much better off than those kids who never attend school'. Yet this exists simultaneously with a 2010 Sub-Saharan Africa Adjusted Net Enrolment Ratio (ANER) estimate showing that more than three-quarters of children are in school and that the number is rising. Alongside this learning crisis, we know from UNESCO that the total number of out-of-school youth is also climbing because of youth demographic trends.

Furthermore, there is the issue of what the enrolment numbers themselves mean. Influenced by the work of CREATE (see Lewin, 2011), the primary report for the 18th Conference of Commonwealth Ministers in Mauritius (Menefee and Bray, 2012) argued that the statistics conventionally used to measure Education For All progress can be misleading and are easily manipulated. Enrolment rates – whether gross, net or adjusted net – are often simply names in books. For example, 'Uganda has a lower net enrolment rate than Tanzania (90.9 versus 98), but Uganda's net attendance rate is 85.6 versus Tanzania's 80.6' (Menefee and Bray, 2012). In too many places, the formally enrolled are often absent, not learning, and primed to drop out of an education system they are only nominally engaged with.

## The enrolment cure

Despite the complexities of the economic picture and lack of high national-level comparative correlations between higher enrolments and economic performance, a search through the 400-page 'Youth and Skills' GMR shows no mention of over-education or over-skilling – there is only no education, under-education, inequitable education and poor quality education. It presents the economics of education in a straightforward way, such that 'for every US\$1 spent on education, as much as US\$10 to US\$15 can be generated in economic growth' (UNESCO 2012). However, it is unlikely that education of the quality UNESCO and the Brookings Institute warns us of can generate a 1,000 per cent to 1,500 per cent return on investment.

The GMR also states that GDP growth can be increased by 2.1 per cent and that more than a hundred million people could be lifted out of extreme poverty if minimum OECD mathematics standards could be reached. This parallels the economic benefits of basic literacy, as highlighted above. One might assume that these skills

could be prioritised and delivered through ad hoc, flexible and affordable non-formal education. Instead, planners and funders are told that 'formal secondary schooling is the most effective way to develop the skills needed for work and life' (UNESCO, 2012). It is here that we can see how Goal Three, which is often interpreted as a call to expand access to non-formal and informal education, becomes instead interpreted as formal schooling enrolments. UNESCO has even been using lower-secondary enrolments to measure the Goal Three progress in the GMR.

This 'enrolment cure' imagines education as something like a train, moving in a straight line, with specific times to board and depart. Youth who do not board the train at the right time are left behind. Students with a slower rate of learning than the speed of the train often get caught in a pattern of falling behind, repeating grades and dropping out. Rather than welcoming those trying to access education, often as the first in the family, the GMR problematises their arrival by implicitly arguing that they have arrived too late, or too unprepared, to be helped. And rather than slowing the train down, or giving it a more flexible schedule with alternate destinations, attention instead is given to trying to make next year's recruits arrive on time and better prepared to make it to the final destinations.

## Formal and non-formal education policy

The learning crises and the increasing out-of-school youth problem make it difficult to reconcile these numbers with the GMR's insistence that these skills are most effectively acquired through formal schooling. While formal schooling might often be the best way, it is empirically not always the most effective means of developing life and work skills for many of the students that have been enrolled in the recent push for universal primary education. The massive and sustained push for ever-higher formal school enrolments has also not been able to overcome the obstacles of quality, equity and costs that keep 23.3 million primary-aged children out of school in the Commonwealth (Menefee and Bray, 2012). Nor has it been able to guarantee jobs for graduates or productive knowledge growth in countries.

The issue isn't schooling and enrolments in themselves, but rather prioritising enrolment expansion at the expense of more flexible learning and skills acquisition. As Amartya Sen (1999) reminds us, we too often confuse economic growth as an end in itself rather than as a means to deliver the things that we value. Formalised public schooling is one way, and an increasingly ubiquitous way, to deliver life and work skills. But there are other, non-formal and informal, ways of delivering the same skills. They are often flexible, cheap and modular. And they are often ignored and underfunded.

Much of my own research focuses on the Philippines, which has recently passed a law expanding formal schooling by an additional two years with the aim of increasing overall student learning outcomes and international competitiveness. Similar to many Commonwealth countries, formal schooling requirements are being emphasised and expanded concurrently with primary and secondary enrolment rates and academic performance dropping while the out-of-school youth population grows due to demographic pressures. NGO leaders I've spoken to are certain that this expanded focus on, and length of, formal enrolment will increase secondary drop-out rates, pushing more students out. The

government's programme for these out-of-school youth is called the Alternative Learning System (ALS), which the UNESCO Institute for Statistics (UIS) net enrolment ratios suggest that more than ten per cent in primary and almost 40 per cent in secondary could benefit from.

Yet the Philippines Government spends less than one per cent of the national education budget on this programme. One administrator estimated that they spend between \$12–18 per student per year. The ALS is also a platform for effectively teaching basic skills that out-of-school students are missing, with one NGO leader saying that they could bring students to literacy with six months of weekly ALS classes. Not only does the government largely ignore ALS, but an important funder for a key foundation helping out-of-school youth asks that none of his contributions be spent on the ALS. In the zero-sum world of budgeting, many feel that every dollar spent on non-formal programmes like the ALS is a dollar taken away from offering seats in formal classrooms.

## An alternative vision

The Dakar Education For All Framework was intended to be more expansive than increasing enrolment rates, even if that's what it was mostly reduced to. Adult literacy, for instance, was called the 'forgotten goal' in the 2006 GMR focused on Goal Four. The High Level Panel's proposed post-2015 metrics include both learning and enrolment goals. It will be a choice whether we interpret learning as a measurement of school quality or whether we measure it as diverse educational programmes truly reaching all.

An alternate vision could recognise that the economic returns on education aren't always linear, and that more education doesn't always have immediate or clear returns on the individual or national level. It could put basic skills first. It would have us imagine literacy and numeracy for all first and have universal primary or lower secondary education as an important next step. Basic literacy and numeracy for all would provide every child and adult with a necessary starting point to take advantage of other educational opportunities, both formal and otherwise.

This vision would have us think of innovative ways to provide youth with access to vocational skills programmes without requiring secondary schooling diplomas that were frequently out of reach. This would stand in contrast to implicitly telling many of our youth that they must wait until affordable and quality formal secondary schooling, and often even primary schooling, reaches them before they can move forward with their ideas and aspirations. Greater flexibility would also be a boon to adults who need retraining for an ever-changing market.

Because the problem we face is enormously complex, and because the future of our students is fundamentally unpredictable, perhaps we should turn our attention to the lessons of complex systems and resilience. One of the most important of those lessons is prioritising modularity and adaptability over efficiency and performance. Neither modularity nor flexibility is particularly evident in our current approach. Where today we approach education as a train that departs and arrives at specific times and places, we should approach education and skills programmes as something like interconnected blocks that can scaffold upwards, downwards and laterally with ease as local and global contexts evolve. The base of any such structure, however, is literacy and numeracy. Where

today the GMR speaks of 'second chances', we could instead let a hundred points of educational access and re-entry bloom. Arguably, this is what 'putting the last first' (Chambers, 1986) looks like in educational development.

This needn't just be poor education for poor people (see Nordtveit, 2009). In advanced economies, there has been enormous interest in using internet technologies to push for flexibility in tertiary education, most prominently with Massive Open Online Courses (MOOCs) and competency-based learning (CBL). These programmes echo the intent and design of initiatives like the Philippine's ALS and countless government and civil society programmes with similar goals across the Commonwealth. Both working mothers and out-of-school youth in remote villages need affordable, flexible educational options brought to them. While they would both undoubtedly benefit from quality formal schooling with ample financial support, they are too often left behind.

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