

Curbing populism: remove barriers and make actual benefits visible



Trump's election victory and Brexit reflected a growing scepticism towards globalisation. The populist waves have swept across the globe because not everyone has benefited from the overall economic gains as a result of trade liberalisation. Over the years, the wealth gap has widened alongside the expansion of the global economic pie says **Chloe Lok Yi Lam**. For instance, the United Kingdom's **gini coefficient** has shown more than 35% growth from the mid-70s to the late 2000s. This shows that parts of the population might not have been rewarded proportionally for their hard work. In fact, the less privileged groups who feel left behind have been rising in number, which is well evidenced by a surging number of "nationalism supporters".

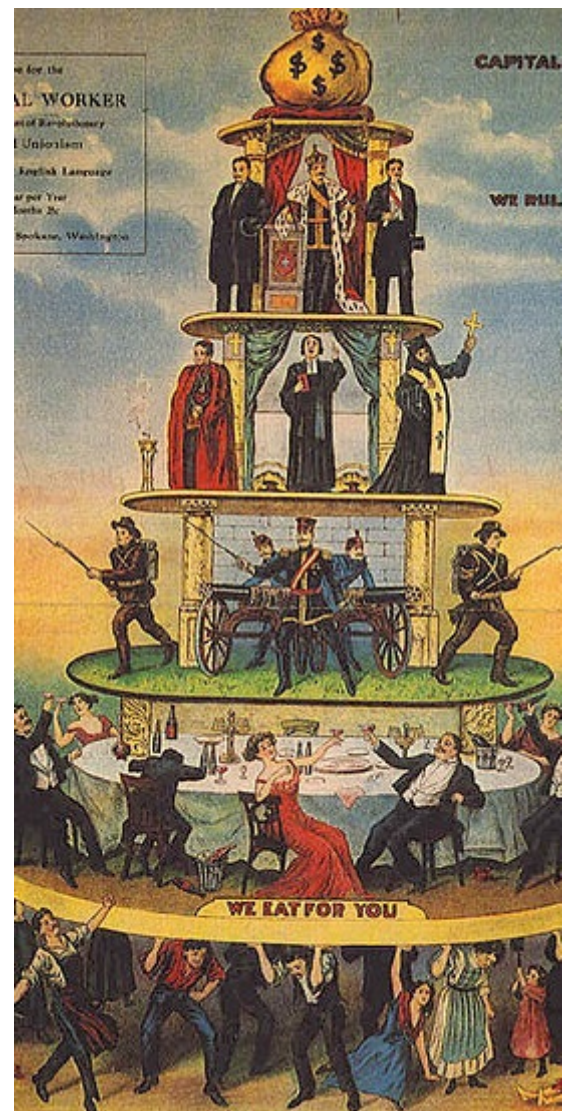
Populism fears do shed some light on income equality issues. However, does that mean nationalism, or restricting free flow of trade and labour bring actual benefits to the population as a whole, especially the less privileged groups?

As classical and neoclassical economists have suggested, free mobility of capital and labour is essential to the maximisation of overall economic gains. From the macroeconomic perspective, the **single market** has boosted the EU's GDP by €877 billion over 10 years, and each household have been benefited around €5,700 of extra income. Free mobility of capital and labour also enables innovation, as it welcomes specialists worldwide to contribute new ideas. In the United States, technology leaders have feared **Trump's immigration crackdown** on high-skilled workers, who have tremendous contribution to the industry in Silicon Valley. In the United Kingdom, stricter immigration rules could hit **NHS services** as statistics show that 11% of all staff and 26% of doctors are non-British. Not only do these examples show the importance of free mobility of capital and labour in maximising economic gains and encouraging innovation, it also illustrates the existing reliance of foreign workers in various industries. Without free mobility of capital and labour, the less privileged groups will be even more hard hit by the sluggish economy due to their lower competitiveness.

In order to help the less privileged groups, the real solution is to help them realise actual benefits as a result of globalisation and free movement of capital and labour. As such, the 1989 Generation Initiative's ECON focus group recommends the following proposal so that actual benefits can be made more visible for those who need it the most.

The solution: A more ambitious European Apprenticeship Scheme

The **European Alliance for Apprenticeships** (EAfA) is a unique platform that promotes youth employment and reduces the disparity between skills supply and demand on the labour market. Combining company-based training with school-based education, the scheme awards a **nationally**



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recognised initial Vocational, Education and Training (VET) certification degree upon completion of the programme. As it is important to meet the skills-demand, the EAfA helps companies find suitable talents, by offering key information on employees' capacities during work-based training periods. At the same time, it creates opportunities for apprentices to apply what they learn in classrooms to real life situations, equipping them with the necessary skills for future employment. Hence, European mobility of apprenticeships creates a win-win situation for all: the company, the apprentice and society as a whole.

However, according to a report published by the European Commission in 2012, the international geographical mobility has been low, especially for apprentices, despite the clear advantages international mobility brings to students, companies and VET centres. In face of important barriers, such as recognition of studies, we suggest to improve the current programme in the following two areas:

Increasing data transparency in jobs-matching process

From the students' perspective, the current apprenticeship schemes are subject to various criticisms. For example, apprenticeships' long run prospects in terms of employment prospect, pay and promotion are less clear in comparison to holders of tertiary degrees. These doubts are created because students have little information on the details of apprenticeship programmes.

Hence, the EU should develop an open data platform so that students can obtain more information on different apprenticeship programmes, such as past and present opportunities, track records, training details, career paths and salary structures. This open data platform would allow students to grade and compare different apprentice schemes and be able to make better informed choices for their own development. The enhanced data transparency can incentivise more students to apply for the apprenticeship programme, further improving the jobs-matching process.

A far-reaching student-centered communications campaign to improve the image of apprenticeship

Vocational studies is a less popular choice in some countries, as they are usually considered as a "second best" option selected by less skilled students. In countries like Estonia and the United Kingdom, less than 40% of students will opt for a vocational path. One of the culprits is that the current programme is too enterprise-oriented, and not much has been done to address the common misconceptions among students.

Hence, the EU should organise a far-reaching communications campaign to rectify students' misconception and promote the benefits of apprenticeship programmes, improving its poor image in countries like Estonia and the United Kingdom. The campaign has to be student-centered, highlighting its comprehensiveness from classroom education to vocational training, resources available, as well as the useful and transferrable skill sets students can acquire. The campaign should convey a message of greater employability and job opportunities resulting from the vocational path. It is hoped the campaign can attract more talents to join vocational trainings, which expands the industry further, bringing more economic benefits that in turn increase the attractiveness of the apprenticeship programmes.

To curb populism, the key is to engage the "left-behind" groups and enable them realise actual benefits. As youth is our future, it is important to equip them as early as we can. The EU should remove existing labour mobility barriers by introducing a more ambitious apprenticeship scheme so that the benefits can become more visible.

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