‘Cruel optimism’: a southern theory perspective on the European Union’s Youth Strategy, 2008–2012

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(Received 14 January 2013; accepted 7 August 2013)

European Union youth policy since the 1990s has been ostensibly committed to enhancing the social participation of young people. This study explores the reliance of the 2009 European Union (EU) Youth Strategy on a combination of OECD ‘active society’ and human capital theory which seeks to increase educational participation rates in Europe with the goal of creating more and better opportunities for young people and to promote active citizenship, social inclusion and solidarity. The authors adopt a ‘southern theory’ perspective to open up a range of problems with the EU Youth Strategy which begins to indicate why, contrary to expectations, this policy has failed to ameliorate the increasing levels of youth unemployment, underemployment and child and youth poverty. The study concludes that the EU Youth Strategy has consolidated ‘a relation of cruel optimism’ when what is desired, in this case more education, has become an obstacle to human flourishing.

Keywords: youth policy; EU youth policy; fiscal austerity; human capital theory; southern theory; neo-liberalism

It now seems clear that the effects, which in 2007–2008 turned out to be the most serious global financial crisis since the depression of the 1930s, have since been exacerbated by ‘austerity’ measures imposed by Germany, the European Union (EU) and the World Bank (Askenazy, Coutrot, Orlean, & Sterdyniak, 2010; Hunko, 2012; Matsumoto, Hengge, & Islam, 2012; Orlean, 2011). This austerity policy relied on major expenditure cuts from 2009 to 2010, with especially serious consequences in the UK, Greece, Cyprus, Iceland, Italy, Ireland, Portugal, France and Spain (Hellwig, 2012). One consequence was that by May 2013, there were 19.3 million unemployed people in the euro area which translated into an unemployment rate of 12.2%, the highest since 1995 (Europa, 2013).

Many commentators and EU policy-makers have observed that young people (aged 15–24 years) are one of the groups bearing the brunt of these ‘austerity’ measures. Since the collapse of the full-time youth labour market in the 1970s, European youth unemployment rates have never dropped below 12% (Bednarzik, 2012, p. 10). Since the 2008 crisis, these rates have soared. By May 2012, the euro area had a youth unemployment rate of 22.8%. By May 2013, this rate had increased to 23.9% while countries such as Spain (56.5%) and Greece (59.2%) had twice that rate (European Commission, 2012b; Eurostat, 2013; Matsumoto et al., 2012). The European Commission noted that ‘Europe is undergoing a crisis that hit young Europeans with unprecedented levels of unemployment and the risk of social exclusion and poverty’ (European Commission, 2012b, p. 1). Yet, the EU Commission remained optimistic, claiming to see ‘signs of hope’ in the ways its EU ‘Youth Strategy’...
Strategy’ would create more opportunities for young people and promote active citizenship, social inclusion and solidarity (European Commission, 2012a). We think that there are some good reasons indicating why that optimism is not well founded.

As many commentators have noticed, European policy responses since 2007, ostensibly committed to enhancing the social participation of young people, failed to ameliorate the increasing levels of youth unemployment and child and youth poverty (ILO, 2012; Lester, 2012; Ortiz & Cummins, 2012). We argue that one reason for this is the dominant ‘active citizenship’ policy frame which has shaped and still shapes shaped European youth policy in the 2000s up to and including the 2009 EU Youth Strategy and the 2012 Youth Strategy. Central to this policy is the claim that increased access to education will better prepare young people:

... for the labour market ... and in line with the Europe 2020 benchmarks on tertiary education and early school leaving ... ensure that young people acquire the relevant skills for the labour market.

The European Commission may well believe that its optimism is confirmed by education participation data showing that ‘90 percent of 17-year-old Europeans were still in education’ and that tertiary education participation had increased by a third between 1999 and 2009 across all countries as confirmation of EU policy goals (Eurostat, 2012b, p. 7, 20). Yet, the evidence of persistent youth unemployment, poverty and exclusion suggests that the need to reassess EU youth policy is overdue. How should we do this?

Mindful of Brown, Lauder, and Ashton’s (2010) scepticism about a simple linear relationship between more education and economic benefits, we propose here the use of a ‘southern theory’ perspective associated most recently with the work by Connell (2007, 2011a, 2011b). Connell (2007, pp. 44–48) says that there are four key interpretative insights and theoretical shifts sponsored by ‘southern theory’ which matter here. In effect, southern theory challenges the claim of universality and the practice of reading from the centre, and points to the unremarked on use of gestures of exclusion and grand erasures which characterise knowledge produced in the metropole. We elaborate and draw on this critical epistemic framework to remind us of what has been forgotten by EU policy-makers – and which by implication needs to be reinstated.

We argue that by applying a ‘southern theory’ perspective we see in the EU Youth Strategy one example of a ‘Northern’ understanding of social problems, which assumes that northern policy models and social scientific knowledge can be applied globally ‘as if’ these will work regardless of the specific contexts to which it is applied. Our conclusion is that the EU Youth Strategy is an example of policy likely to occur in what Berlant (2011, pp. 5–6) describes as a time pervaded by ‘cruel optimism’. As he says, ‘A relation of cruel optimism exists when something you desire is actually an obstacle to your flourishing’ (Berlant, 2011, p. 1). Although the EU Youth Strategy is not ‘cruel’ in itself, it has become so. This is because education-as-human-capital impedes what it was that first attracted policy-makers to it, namely the idea that education can secure employment, a decent income, personal development and at a national level, economic growth.

One caution: the focus on EU policy acknowledges that the diversity of Europe is such that a country-by-country analysis is not possible here. Equally, this focus acknowledges that since the Maastricht Treaty (1993) the European Community has acquired ‘an explicit competence’ in education and that projects such as the Bologna Declaration (1999) have an impact on European educational policies. Given that member state policy-making continues to be dominant, we are not suggesting that the EU’s Youth Strategy or EU’s education policy fully explains what is happening. What we argue is that EU policies are
symptomatic of broadly diffused neo-liberal ideas and fantasies functioning in terms that Zizek (2011, p. x) characterises as ‘ideological denial’, ideas best addressed by Connell’s ‘experiment in truth’ offered by her ‘southern theory’ perspective (Connell, 2007). We begin by outlining the EU Youth Strategy.

The EU Youth Strategy

The EU Youth Strategy announced first in 2009 and reiterated in 2012 makes increasing secondary and university participation rates its central policy objective. This objective has its origins in July 1987 when the EU adopted its first education programmes.

It was also around this time that the OECD (1988) outlined its ‘active society’ model, a model soon welcomed by the EU. The ‘active society’ model sounded the death knell of the post-1945 policy commitment to full-employment policies in many European states and was an early signal of the shift to a neo-liberal consensus among intra-state agencies such as the International Monetary Fund and World Bank (Harvey, 2005). Neo-liberalism itself is a project which seeks to bring economic and social transformation ‘under the sign of the free market’ (Connell, 2013, p. 100). The neo-liberal project has relied on privatisation, deregulation, commodification of public services such as telecommunications, public security and utilities and of goods such as health welfare and education. Crucially, it has relied on ‘global integration’ best understood as a process of often coercive policy transfer advocating for a ‘reform’ agenda (involving privatisation and deregulation) as well as free trade conventions and ‘structural adjustment programs’ applied, e.g., to Latin American countries in the 1980s and to places such as Greece, Spain and Cyprus after 2008.

In the 1980s, the ‘active society’ model reflected an acceptance by policy-makers of the assumption that unemployment would henceforth be an ongoing feature of European labour markets and that young people would be among those most affected. The OECD (1988, p. 8) argued that the old full-employment policies were too simple and inflexible and was critical of what it called ‘passive’ income support schemes which ‘gave’ the unemployed benefits and ‘received nothing back’. The OED supported ‘active’ policies as part of an ‘Active Society’. This required unemployed people to seek work and/or enrol in some form of officially accredited education or training. Income support was to be made increasingly conditional on the unemployed engaging in prescribed activities to improve their ‘job readiness’ (OECD, 1988, p. 10).

Here, we see the influence of human capital theory on European educational policy since the 1980s (Gillies, 2011). As Connell (2013, p. 104) insists, neo-liberals understand education as a process of human capital formation rendering education responsible for forming the skills and attitudes needed by a ‘productive workforce’. Acceptance of an ‘active society’ policy by European policy-makers was based on the premise promoted by human capital theorists (Becker, 1964/1993; Mincer, 1958; Schultz, 1960, 1961) that more education was essential for addressing the socio-economic and demographic ‘challenges’ of an ageing population, high numbers of low-skilled adults and high rates of youth unemployment (Council of EU, 2006). The ‘active society’ policy was also in terms which Bacchi’s (2009) policy analytic reveals, a consequence of representing the policy problem, i.e. unemployment, as a consequence of underinvestment in education, a position sanctioned by the authority accorded ‘human capital theory’. Gillies (2011), who has documented the extent to which human capital theory has informed European educational policy since the 1980s, notes how the OECD has been very active in promoting the idea that education is vital for economic growth because of its role in the
The effect of human capital theory was evident in 2000, when the EU adopted the Lisbon Strategy (2000–2010) to revamp Europe’s economy and make the EU ‘the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion’ (European Council, 2000, p. 3). That strategy identified innovation as the ‘motor of economic change’, a ‘learning economy’ and ‘social and environmental renewal’. It ensured that education and training became a central aspect of economic development. In 2003, the EU reaffirmed its goal of making ‘Europe the most competitive and dynamic knowledge-based economy in the world’ and reasserted that education and training were the key determinants of economic performance and collective social well-being (Council of EU, 2003, p. 3). EU member states were urged to achieve quite specific educational goals. The EU continues to commit itself to ‘...increasing investment in human capital through better education and skills’ (Commission of the European Communities, 2009, p. 2).

Unsurprisingly, these goals were absorbed into the 2009 and 2012 Youth Strategies (Commission of the European Community, 2009; European Commission, 2012b). The key benchmarks of 2010 included:

- a 95% participation rate in early childhood education for children,
- a reduction in the proportion of 15-year-olds with insufficient abilities in reading, mathematics and science to less than 15%,
- a rate of less than 10% of early leavers,
- at least 40% of 30–34-year-olds who will have tertiary credentials and
- at least 15% of people aged 25–64 years who will participate in lifelong Learning.

EU education data say that these goals have largely been achieved. Since 2000, the proportion of 20–24-year-olds in education and training has increased, while the proportion of 20–24 age group working and not participating in education and training fell from 41.2% in 2000 to 34.2% in 2011 (EU, 2012, pp. 17–18). But what of the policy wisdom which holds that ‘... the more young people are educated, the better they are protected against unemployment’ (European Commission, 2012a, pp. 22–23).

However, while increasing enrolment in post-secondary and tertiary education is in-line with EU education targets, the projected amelioration of unemployment has simply not happened. The youth jobless rate was already unacceptably high across Europe before the 2007–2008 global financial crisis. Since 2008, the combination of macroeconomic conditions and ‘austerity’ measures has meant that countries such as France, Sweden, Poland, Italy and the UK have hosted youth unemployment rates in excess of 20%, while countries such as Spain, Greece, Ireland, Latvia, Portugal and Slovakia have had rates between 30% and 56% (EU, 2012, p. 22).

Even more mystifying, underemployment, characterised as the ratio of part-time casual workers to full-time workers, has been steadily increasing in affluent advanced societies such as Sweden and the Netherlands, both of which have high secondary and tertiary education participation rates (Allen & Ainsley, 2012). Even the ‘activity rates’ (defined by the ILO as those unemployed who are ‘actively’ looking for work) of young unemployed people (15–24) have been declining across the EU since 2000: countries such as Portugal, Greece Italy and Lithuania have done worse than the EU average. This finding has led the EU to speculate that the increased education participation rates may be partly attributable to difficulty in finding employment (EU, 2012, p. 58). There is also evidence of mismatches between labour markets and education with measured over-qualification rates of 30% in southern states such as Bulgaria (30%), Greece (30.1%), Italy (30.4%),
Ireland (37%), Cyprus (37.6%) and Spain (38%) (Education, Audiovisual & Culture Executive Agency, 2012, p. 122).

Given these findings, it is not surprising that the expected social and economic benefits of increased education participation have not occurred. Many of the advanced EU economies saw persistent increases in income inequality between 1970 and 2000 with 6–7% increases in the respective Gini coefficients of Denmark and Italy, rising to more than 20% in Germany and Sweden. These increases are well behind the UK which saw a 36% increase in income inequality (Esping-Andersen, 2004). The trend to increased inequality has been magnified since the 2008 crisis (OECD, 2011). Young people bore the brunt of this increase in inequality fuelled by high levels of unemployment and precarious part-time work, leading to an erosion of wages. Relative disposable incomes have also fallen by 7% in OECD while child poverty has risen in Germany by 4–7%. Sixty per cent of young workers under 25 years of age receive wages 60% in Netherlands and the UK, while in France the figures are about 40% (Esping-Andersen, 2004).

Southern theory

Though earlier writers such as Gramsci (2006), Said (1993) and Spivak (1988) made important contributions to developing ‘southern theory’, Connell’s (2007) work provides the most comprehensive recent account and has already sponsored policy-relevant research (Alcadipani, Khan, Gantman, & Nkomo, 2012; Arnot, 2009; Gale, 2009; Jazeel & McFarlane, 2010; Keim, 2011; Meekosha, 2008, 2011; Vaughan, 2013). Connell (2007, p. vii) begins by asking how ‘social thought happens in particular places’. She says that this question is often repressed by assuming that there can only be one, universal body of concepts and methods, namely those created in the ‘global north’. In what proves to be a comprehensive argument in favour of ‘a new path for social theory that will help social science to serve democratic purposes on a world scale’, Connell’s account of ‘southern theory’ starts from the premise that the conventional social sciences are versions of ‘Northern theory’ produced by people working in Anglo-American or ‘northern’ or ‘metropolitan’ centres. It is important to not treat the ‘north–south’ distinction in a geographically literalist way. Connell uses ‘southern theory’ to call ‘attention to periphery–centre relations in the realm of knowledge’. She says the ‘north–south’ or ‘metropole-periphery’ distinctions do not denominate:

... a sharply bounded category of states or societies but [rather] to emphasize relations – authority, exclusion, inclusion, hegemony, partnership, sponsorship, appropriation – between intellectuals and institutions in the metropole and those in the world periphery. (2007, pp. x–ix).

(However as Jolly (2008, p. 3) notes, while Connell’s cartographic metaphors such as ‘North’ and ‘South’ should not be taken too literally, their use ‘betrays a deep imperial history’).

Connell’s account of southern theory challenges four interpretative or theoretical consequences of the silent and unremarked on dominance of Northern theory. In what follows, we briefly elaborate on these four dimensions and point to the implications for any assessment of the EU Youth Strategy. The first is the claim of universality.

The claim of universality

‘Real’ (i.e. Northern) theory is assumed to be both globally relevant and true while anything else is treated as at best peripheral or irrelevant. Social sciences such as
economics through sociology silently embed ‘the viewpoints, perspectives and problems of metropolitan society while presenting itself as a universal knowledge’ (Connell, 2007, p. vii). It is tacitly assumed that ‘all societies are knowable and are knowable in the same way and from the same point of view’ (Connell, 2007, p. 44). It is also assumed that Northern theory or knowledge is epistemically and methodologically superior.

In this way, we need to remember that human capital theory to say nothing of the complex array of knowledge claims and policy prescriptions characteristic of neoliberalism have long been seen as providing a common sense and universal explanation for economic growth and social progress. Like so much else of modern neo-classical economics, human capital theory is advanced as if it were universally and self-evidently true. Smith (1776/1937, p. 101), e.g., concluded that ‘a man educated at the expense of much labour and time may be compared to [an] expensive machine . . . and the work he learns to perform should replace to him the whole expense of his education’. Marshall (1873, pp. 117–118) referred to industrial training as ‘a national investment’. Human capital theorists claim that education increases the productivity of everyone from workers on the shop floor to managers which in turn leads to higher wages and other positive benefits (Becker, 1964/1993; Folloni & Vittadini, 2010). The key assumption here is that competitive labour markets require employers (as rational profit-maximising agents) to reward workers whose (marginal) productivity is higher, with a higher wage than those whose (marginal) productivity is less. The alleged benefits of increased education include both increased individual lifetime earnings and collective social benefits resulting from the economic growth such as increased wealth and increased total tax revenue. It is also argued that more education provides protection from unemployment and poverty.

Yet, Bowles and Gintis (1975, pp. 74) argued that human capital theory is ‘substantially misleading both as a framework of empirical research and as a guide to policy’ (1975, p. 74). It has been subjected to damaging empirical and theoretical critique (e.g. Blaug, 1976; Bowles & Gintis, 1975; Gillies, 2011; Klees, 2008; Ozga & Lingard, 2007; Ritkowski, 2005). Unterhalter (2008, p. 201) has crisply outlined some of the highly problematic assumptions made by human capital theorists like the assumption:

... that labour markets work rationally and efficiently and that, once schooling has developed certain aspects of human capital, the labour market will allocate people to occupations that are appropriate for their level of skills . . . The framework tends to view schooling as something like a machine, which children enter and exit with their human capital appropriately topped up.

Recently, Chattopadhyay (2012) has outlined some of the key criticisms of human capital theory informed in part by a ‘southern’ perspective. While it is claimed to be universally valid and applicable, most studies which carry out a detailed disaggregation by level of schooling are restricted to the USA: the classic study is Jorgenson, Gollop, and Fraumeni (1987). In reviewing the evidence, Griliches (1997) claimed that increases in educational attainment accounted for a third of the productivity residual in the USA between 1945 and 1996. However, Thurow found in the USA that ‘more and more human capital was being pumped into the system in the 1970s, yet productivity has fallen’ (1983, p. 189). A better educated labour force should have made it rise.

International research shows little if any relationship between the standard quantitative performance levels and economic growth indicators. Several studies found the correlation to be weak. Benhabib and Spiegel (1994) came to this conclusion for a large sample of countries. Indeed, the leader in the education stakes on virtually every count is the USA, but US labour productivity growth is more dismal than Australia’s. On the other hand,
those who have performed better economically than either Australia or the USA present a mixed picture with respect to their educational statistics.

More importantly, the central question is this: does an increase in educational participation generate an increase in jobs? As Pissarides (2001) has argued, without the concomitant ‘creation of growth enhancing jobs’, it is not clear that more investment in education has any positive economic benefits like increased jobs.

Human capital theorists cannot show how increasing access to education – to the point, e.g., of guaranteeing universal access to higher education – is capable of achieving the range of socio-economic objectives that have been assigned to it. They have failed to specify how education and training actually play a role in generating productive wealth. Despite dramatic increases in education participation in the EU since the 1990s, there has been a decline in income equality, matched by increases in unemployment and underemployment which affect young Europeans.

The evidence for this is clear. On the one hand, approximately 79% of young people in Europe aged 20–24 years completed upper secondary education in 2010, confirming the upward trend across Europe since 2000. In 2012, the EU’s 27 member states could also claim that 35.5% of people aged 30–34 years had a tertiary qualification: Ireland topped the ladder at 50% (Eurostat, 2013). Yet, as education participation rates expanded, unemployment was also rising. In Ireland in February 2013, the general unemployment rate was static at 14%; among young people it was over 24% though according to the 2011 Irish census it was 39% (Ireland CSO, 2012: CD 307).

Indeed, it can be said that because of increased education participation, a growing proportion of young people are overqualified for the employment they find. What this signifies is a growing problem of ‘overqualification’, ‘overeducation’ or ‘skill mismatch’ in the EU. It is now acknowledged that skill mismatch is widespread in Europe, with an average incidence of over-education that affects around 30% of the population (European Centre for the Development of Vocational Training, 2010; McGuinness, 2006). As one study notes:

Europe is facing major economic and financial difficulties ... Skill mismatch is likely to be exacerbated in this restructuring process, leading to structural unemployment and both over-education and skill shortages. (European Centre for the Development of Vocational Training, 2012a, p. 1)

The explanation is simple: the supply of graduates in the workforce is larger than the number of jobs available requiring degrees (Miller & Li, 2013, pp. 1–21; Vedder, Denhart, & Robe, 2013). In Europe, more than one in five tertiary graduates are overqualified for their job, and this proportion has increased since 2000. In countries where data are available, between one-fifth (20.6%) and one-third of young people with tertiary education can be regarded as overqualified for the job they occupy, i.e. they are employed in occupations not requiring tertiary qualifications. This percentage remained stable between 2000 and 2010, despite the growing participation rates and the ‘massification’ of higher education. As one report indicated:

Weak employment demand is currently increasing competition for the jobs available. Consequently, people may be more willing to accept jobs for which they are overqualified and, occasionally, part-time work or other less favourable conditions, including lower wages. (European Centre for the Development of Vocational Training, 2012b, p. 5)

Recent data point to an overqualification rate around or above 30% in ‘southern’ states such as Bulgaria (30%), Greece (30.1%), Italy (30.4%), Ireland (37%), Cyprus (37.6%) and Spain (38%) (Education, Audiovisual & Culture Executive Agency, 2012, p. 122).
It is to be doubted that this critique will by itself force a radical change in policy EU policy settings. This can partly be explained in terms of the way that human capital theory and neo-liberal discourse engage in ‘reading from the centre’ and invoke ‘gestures of exclusion’ in ways which work to devalue political debate.

‘Reading from the centre’ and ‘gestures of exclusion’

‘Reading from the centre’ and ‘gestures of exclusion’ mean that the experience of the North or the metropole is treated as the norm. Hence, the typical yet silent assumption that an ‘intelligible time succession told in terms of periods like pre-modern to modern or pre capitalist to capitalist’ which reflects a metropolitan experience is universally valid (Connell, 2007, p. 45). These practices also entail that theorists from the south or the periphery are rarely cited or that their ideas are simply not considered a legitimate part of theoretical dialogue. More importantly, it points to the ways that the policy framework and the knowledge claims that the framework relies on appear to be universally valid and technical in character.

As Codd (1988, p. 235) argues and contrary to the impression left by EU policymakers, ‘policy is fundamentally about the exercise of political power and the language that used is to legitimate that process’. Clarke (2012, p. 297) insists that both politics and policy are practical or ethical rather than merely technical practices because both are concerned with the ‘formulation, institution, reproduction and contestation’ of ethical values. Drawing on Easton (1953) and Srath (2005), Clarke allows that the only distinction that matters is that ‘policy is about the authoritative allocation of values’ while politics is about ‘the processes of prioritizing those values’.

However, contemporary neo-liberal discourses, which seamlessly align or even conflate educational and economic processes and objectives, seek to obscure the politics of policies like the EU Youth Strategy by representing the development of educational and economic policy as ways to address technical issues of efficiency.

This pursuit of the technicisation of policy discourse further seeks to de-emphasise the deeply political nature of the EU youth policy first by treating education increasingly as a commodity being produced and circulated inside a market and second by ‘assuming and promoting a consensus in relation to this economizing agenda’ (Clarke, 2012, p. 298). In this regard, Rizvi and Lingard (2010) have pointed out that the EU has insistently drawn on the ‘global imaginary’ to talk up the need to bring Europe’s education systems into the ‘global village’ and face up to the tough reality of international competition and the need to establish and achieve world class standards’ so as to make the European economy ‘the most competitive and dynamic knowledge-based economy in the world’ (European Council, 2000, p. 3).

In like fashion, the penchant for evidence-based policy (based on metrics of ‘effectiveness’, ‘standards’ and ‘school improvement’) implies that policy-making requires recourse only to evidence rather than to political debate about ethical choices. EU policy discourse repeatedly emphasises how the EU Youth Strategy is essentially a technical exercise. Here, we see the role played by the ‘invisible infrastructure of standards’ (Gorur, 2012) involving the relentless use of metrics such as participation rates, demonstrable competencies, quantifiable learning outcomes and the use of other performance measures. As Lingard (2011) and Stronach (2010) have argued, the neo-liberal obsession with accountability and productivity means that the actual complexities of different educational systems and practices are dissolved by the use of standardised assessments which in turn inform homogenising policy-making. The destructive effects on
equity for disadvantaged communities or on teachers and schools have been clearly identified (Ball, 2008) while effectively obscuring the political nature of these policies. (In this respect, older policy traditions in the Anglophone countries shaped by utilitarian frames made the segue into a neo-liberal frame easier there than in Europe or colonial societies such as Mexico: see Souto-Otero, 2011). The political consequences of this project are replicated by the way northern policy discourse erases the voice and experience of the marginalised.

**Grand erasures**

Grand erasures point to the way that the normal relationship or dialogue between theoretical frames and ‘empirical’ knowledge is obliterated. When ‘empirical knowledge derives wholly or mainly from the metropole’ and addresses problems experienced in the metropole, the effect is to erase the experience and voice of peoples not in the metropole (Connell, 2007, p. 46).

In this respect, a Southern perspective is useful in three ways. First, it offers a fresh approach to understanding EU policy within a tradition of ‘policy transfer’ studies (Benson & Jordan, 2011; Dolowitz & Marsh, 2000; Raedelli, 1997). Policy transfer studies conventionally treat the adoption of austerity measures in parts of Europe after 2008–2009 as a consequence of the work of supranational entities such as the OECD and the World Bank thereby producing ‘policy convergence’ or ‘policy diffusion’ (Benson & Jordan, 2011; Dolowitz & Marsh, 2000, p. 5; Goetschy, 2003). Radaelli (2005, p. 26), e.g., argues that the EU had evolved into a ‘massive transfer platform’ for disseminating different aspects of policy among member states. The development of EU education policy, e.g., has been explicit about the virtues of ‘sharing examples’ of good policy involving ‘peer learning activities’, setting ‘benchmarks’ and tracking progress against key indicators. Although the general tendency is to promote policy transfer as a ‘positive’, some writers such as Dostal (2004) and Debonneville and Diaz (2012) have argued that while this process may sometimes be voluntary, it may also be coercive, especially when powerful state or intra-state agencies compel other levels of government to adopt policy ideas and administrative arrangements. We need to reinstate a reflexive regard for understanding how policy-making takes place and in particular how neo-liberal policy achieves its effects.

We suggest that a southern theory perspective revises the way we might understand the policy transfer process by adopting a political-economic account of the way neo-liberal policies flow from the North to the South. A southern theory perspective is valuable in the study of policy transfer processes because it challenges any complacent assumption that a unitary understanding of the policy problem and policy frame is either possible or desirable. In particular, we suggest that there are problems with the assumption that policies which are actually shaped by northern experience and priorities can be applied across Europe ‘as if’ the diversity of economic activities and the associated range of social problems and cultures do not really matter.

Second, although this point cannot be fully developed here, there is a case for thinking about metropolitan and peripheral relations within Europe in ways that distinguish between ‘southern’ and ‘northern’ theory and its policy consequences. To do so is to acknowledge significant differences both between ‘northern’ and ‘southern’ states and within member states. There are several dimensions to be acknowledged.

A range of economic data indicate that the economies of ‘southern’ eastern states are different in structural ways to the northern/western states. As Papp, Miakaczko,
Adamicockova, Turcekova, and Hajos (2012) indicate, one quarter of EU states had more than 125% of average GDP while one quarter had less than 75% of average GDP. In per capita annual income terms, there is a radical difference among member states ranging from $13,000 to $82,000. In crude terms, a ‘north–south’ divide is evident between the big economies of Germany, France, Scandinavia and the UK and southern member states such as Italy, Spain, Greece and Portugal which have lower GDP per capita than the northern member states and higher unemployment rates (Alderman, 2010). (Former Eastern bloc countries make up another region of significant disadvantage). Equally as EU data confirm, there is a significant major regional disadvantage evident in some 68 EU regions which are below 75% of average per capita GDP: there are six regions in Bulgaria and Greece, five in Italy, four in Portugal and one region in Spain (Eurostat, 2009).

Differential unemployment rates between the EU member states are mirrored by differences within the member states: Spain had unemployment rates ranging from 12% in Pais Vasco in the north to 30.4% in Andalucia in the south.

It should be noted that our capacity to understand these differences is not helped when EU policy-makers favour a benign and homogenising vocabulary of ‘social exclusion’ and ‘risk’, a discursive strategy which helps to obscure the persistent character of unequal and embedded patterns of social privilege on the one hand, and social suffering by dislocated urban and agrarian working families on the other (Esping-Andersen, 2004).

One of the subtle but powerful erasures perpetrated by the way a universal form of knowledge which is actually based on the experiences of a privileged minority claims to speak for everyone has the effect of silencing and rendering invisible substantial communities. This can occur globally (i.e. in the relations of ‘north’ and ‘south’) and locally, e.g. the relations of local elites and socially disadvantaged and marginalised groups such as people with disabilities, women and agrarian and urban workers rendered unemployable. Charlesworth (2000) has demonstrated why we need to reinstate the distinctive voices and experiences of people such as the working-class families and students in places such as Sheffield which constitute a ‘south’ in England’s ‘north’ achieved by decades of Thatcherite economic and social policy. Work by Bourdieu and Passeron (1990), Brown, Lauder, and Ashton (2010) and Arum and Roska (2011) all point to the lethal imbrication of unequal schooling and unequal social resources in reproducing inequalities and do so because these processes are masked by official policy discourse.

Establishing precisely how entrenched privilege and disadvantage is reproduced needs investigation, something which Esping-Andersen (1990) set out to do when he explored the role ‘welfare policy’ plays in exacerbating, or ameliorating, structural social inequality. Yet ironically Esping-Andersen (1990) has been criticised for his ‘three worlds of welfare states’ typology by writers such as Ferrera (1996), Bonoli (1997) and Trifletti (1999) for failing to acknowledge Italy, Greece, Spain and Portugal in his analysis. Ferrera (1996, pp. 24–26), e.g., insists that while some benefits (such as old-age pensions) are generous in these southern states, he insists that they share common features and their social protection systems are highly fragmented.

The relationship between schooling and social patterns of inequality cannot be understood by human capital theorists who lack ‘a theory of reproduction’ able to explain how and why schooling systems legitimate and reproduce social inequality (Bowles & Gintis, 1975, p 81). As educational research (Klees, 2008; Gillies, 2011) has shown since the 1970s, the observable differences in age–earnings profiles for graduates compared with non-graduates which human capital theorists draw on may be better understood as a reflection of persistent patterns and processes which reproduce intergenerational inequality.
Expecting a system which is oriented to reproduce intergenerational inequality, to suddenly turn around and produce a more egalitarian social order, which ensures both increased prosperity and more equal distribution of that prosperity is a fantasy. Assuming that a homogeneous policy frame, shaped implicitly by northern experience and priorities and wedded to the meritocratic project of economic development and social mobility, can be simply implemented across Europe is a no less delusional basis leading to ‘a bad dose of ‘cruel optimism’. It is time to rethink the fundamentals of the EU Youth Strategy.

Conclusion

Berlant uses the idea of cruel optimism to nominate the gap between what we want (or are told we want) and what is actually good for us. As Berlant (2011, p. 1) explains, many things from our relations with food, to appeals for more education, are not inherently ‘cruel’, but ‘become cruel only when the object that draws your attachment actively impedes the aim that brought you to it initially’. We say this relationship of ‘cruel optimism’ defines the effects of the preoccupation with increased schooling which has informed EU youth policy over recent decades and which has been emphasised since 2008. As Berlant (2011, p. 11) argues, we see now in Europe (in common with other developed societies) the attrition of ‘a fantasy, a collectively invested form of life, the good life’. What emerged in the 1980s as a story about how Europeans could pursue ‘the good life’ by building on a foundation of education and training while assuming that long-standing norms of political and economic reciprocity and meritocracy would continue to be realised is fast unravelling. The 2009 and 2012 European Youth Strategy papers which promote more education and training as a project to enhance the participation of young people in a vibrant economy is a classic instance of ‘cruel optimism’. The evidence points to a mismatch between the promise of increasing access to education and the failure to deliver the promised social and economic benefits.

The idea that more education increases individual welfare and enhances national productivity and economic growth is connected to a long-standing idea about progress traceable back to Europe’s Age of Reason. For much of the twentieth century, it was a received wisdom that increased access to more institutional education was an essential component in the project of economic development and social mobility. That narrative has collapsed in Europe negated first by persistent patterns of social privilege on the one hand, and social suffering on the part of dislocated urban and agrarian working families on the other and reinforced since 2008 by ‘Northern’ policies of ‘austerity’ and structural adjustment programmes.

We think none of this ought to be surprising. The ‘active society’ policy model, which has provided a flexible if hegemonic ‘iron cage of policy’ for Europe since the 1980s, and its dependence on ‘human capital theory’ are a deeply irrational policy setting. Until Europe adopts a policy model which understands how modern economies work and the proper role education can play, young Europeans will be martyrs to the effects of the ‘cruel optimism’ which the ‘active society’ model has sustained for several generations.

Although this study has drawn some grim conclusions, we remain optimistic. Our use of a southern theory perspective points first to the need to reinstat the reflexive regard for understanding how policy-making takes place and in particular how neo-liberal policy achieves its effects. In addition, we need to recall with Fielding and Moss (2011) that educational policies at work in EU Youth Strategy function to de-politicise policy-making by disavowing its own politics and the inherently political nature of education policy. What has worked politically to align education with the imperatives of the markets and an
increasingly instrumental discourse reliant on technologies of accountability and performativity can be undone by a reinvigorated political project. The elements of such a project have been addressed recently by Ball and Olmedo (2012), Clarke (2012) and Connell (2013) who acknowledge the pressing need for such a politics and why and how it is that people will begin again to engage basic questions of value. If nothing else as Connell reminds us (through Shakespeare’s Macbeth), in the direst of times, ‘Stones have been known to move and trees to speak’.

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