Chapter 69

Employability, E-Entrepreneurship, and Economic Recovery

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ABSTRACT

This chapter focuses upon the digital competences and the entrepreneurial self-efficacy of undergraduate students at Universitat Rovira i Virgili, a public university located in the autonomous region of Catalonia, in Spain. The objective of this research study is to determine whether higher education institutions foster self-employment opportunities by helping students to develop the digital competences and (e)-entrepreneurial self-efficacy they need. This preliminary study shows that tertiary educational system in Spain is good at putting into practice the Bologna process, but it might not be so good at building up entrepreneurial self-confidence among their graduate students.

INTRODUCTION

One of the features of the global crisis that has received much attention, at least in Europe, is the different impact on unemployment among countries. In some countries (e.g., Germany) unemployment barely increased. In other countries (e.g., Spain) the unemployment rate skyrocketed. Understanding the reasons why the crisis has had such differential labor market effects is crucial for designing employment policies that support employment creation and speed up the recovery. To foster employment grow different possible strategies can be defined (e.g., productivity-enhancing structural reforms, collective bargaining reforms).

In Spain, youth unemployment has worsened during the current crisis. At the levels being registered (46.1% in 2Q11) it is time to change from avoiding employment destruction to employment creation policies, such as educating and training a highly digital and entrepreneurial skilled workforce.

With the aim of reducing structural unemployment, which is extremely high in Spain, Directive
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7 of the “Europe 2020” strategy includes active labor market policies (ALMP), which attempt to reduce youth unemployment, among others. Though in Spain, “of the various labor market malfunctions that aggravate youth unemployment in Spain two of the most significant are the high level of segmentation and the limited effectiveness of ALMP” (BBVA Research, 2011, p. 15). In the case of the former, data indicates that temporariness is a common phenomenon among Spain’s youth which condemns them to a vicious circle of uncertainty and unemployment. And in the case of the latter, while youngsters make up one of the largest groups participating in the activation programmes, the reduced amount of resources channeled into ALMP and the wrong focus of measures conditions have negatively affected their effectiveness (BBVA Research, 2011). So, the question is how to alleviate the problem of youth unemployment in Spain.

Government, higher education institutions, businesses and unions agree that one reform that should be urgently undertaken should aim at increasing the efficiency of the educational system to foster entrepreneurship. With no doubt, the route to growth and economic recovery depends on creating more businesses and having a workforce with the skills to support business start-ups.

Thus, recovering from the severity of the financial crisis requires enhancing human capital and employability by upgrading skills and ensuring a better match between the supply of skills and labor market demands. For example, the increasing importance of the net economy – in particular the diffusion of Information Communication Technology (ICT) - offers great potential for the creation of sustainable jobs but requires updated skills. Education and training systems must generate those new skills, including the skills and learning needed for lifelong learning. In Europe the 2008 Digital Literacy European Commission Working Paper and the High Level Expert Group jointly evaluate that EU programmes have resulted in a regular use of the Internet, supported by increased computer and Internet skills levels.

During the last few years, e-entrepreneurship has begun to emerge as a new business model from the synergies between ICT developments and a digital generation. But are we ready to take advantages of these new e-entrepreneurial opportunities for economic recovery? To answer this question we need to know if we really have a skilled workforce.

This chapter focuses upon the digital competences and the entrepreneurial self-efficacy of undergraduate students at Universitat Rovira i Virgili (http://www.urv.cat), a public university located in the autonomous region of Catalonia, in Spain. It is an exploratory study to clarify if we can really take advantage of ICT to impulse business start-ups and economic recovery. The relationship among digital competences, lifelong learning, employability and e-entrepreneurship will be discussed.

BACKGROUND

The Need to Foster Entrepreneurship

Entrepreneurship can be defined as a certain mindset and process associated with individuals, who possess a set of competencies (e.g. creativity, risk-taking), showing these competencies in distinctive entrepreneurial behavior (turning a business idea into success), alongside daily management (Commission of the European Communities, 2003a). Entrepreneurship can also be understood as the manifest ability and willingness of individuals, on their own, in teams, within and outside existing organizations to perceive and create new economic opportunities (new products, new production methods, new organizational schemes and new product-market combinations), and to introduce their ideas in the market, in the face of uncertainty and other obstacles, by making decisions.
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