**SDG #8**

**Target: 8.6: By 2020, substantially reduce the proportion of youth not in employment, education or training.**

**Target 8.b: By 2020, develop and operationalize a global strategy for youth employment and implement the Global Jobs Pact of the International Labour Organization**

**My overarching idea: Make it advantageous for a business to employ the youth.**

**Countries of focus:**

* **Spain-47.7% (2nd)**
* **Greece-47.9% (1st)**
* **Italy-39.8% (4th)**
* **Germany-7.1% (30th)**

The problem is that levels of youth employment (people ranging from ages 15-24) are very low in Spain and Greece especially.

This could cause major ramifications for the future of those countries. Also to the future lives of the youths. Without jobs, they will have only learned a very strict set of skills in secondary school.

Without the youth employed, employment rates obviously are higher. The effects of this are that the youth do not gain a skill set for future careers. They will be unqualified for serious jobs. Many jobs require experience, and with these youths unemployed, they are not receiving this experience.

In the European Union and the euro area, unemployment in general has been [on the rise](http://www.statista.com/statistics/156283/unemployment-rate-in-eu-and-euro-area/) since 2008, which is due to the economic crisis which caused bankruptcy and financial trouble for many employers, and thus led to considerable job loss, less job offerings, and consequently, to a rise of the unemployment rate (especially in youths). The [number of unemployed persons worldwide](http://www.statista.com/statistics/76156/number-of-unemployed-persons-worldwide/) is projected to rise, this is not down to the economic crisis alone, but also the industrial automation of processes previously performed by workers, as well as rising [population figures](http://www.statista.com/statistics/155946/global-urban-and-rural-population/).

Unemployment is a crucial economic factor for a country; youth unemployment is often examined separately because it tends to be higher than unemployment in older age groups. It comprises the unemployment figures of a country’s labor force aged 15 to 24 years old (i.e. the earliest point at which mandatory school education ends). Typically, teenagers and those in their twenties who are fresh out of education do not find jobs right away, especially if the country’s economy is experiencing difficulties, as can be seen above. Additionally, it also tends to be higher in emerging markets than in industrialized nations. [Worldwide](http://www.statista.com/statistics/266228/youth-unemployment-rate-in-eu-countries/(/statistics/224069/number-of-young-unemployed-people-worldwide/), youth unemployment figures have not changed significantly over the last decade, [nor are they expected to improve](http://www.statista.com/statistics/163282/global-youth-unemployment-rate/) in the next few years.

**The Global Jobs Pact**

The Global Jobs Pactis about promoting jobs and protecting people. It is a branch of the International Labor Organization (ILO). The ILO members formed the Global Jobs Pact in June of 2009. The Global Jobs Pact is a set of measures and policies that countries can adopt to ease the impact of the crisis and accelerate recovery in employment. It addresses the social impact of the global crisis on employment and proposes job-centred policies for countries to adapt according to their national needs. Guided by the Decent Work Agenda and commitments made by the ILO constituents in the 2008 Declaration on Social Justice for a Fair Globalization, the Pact recalls that that respecting fundamental principles and rights at work, strengthening social protection, promoting gender equality and encouraging voice, participation and social dialogue are critical to recovery and development.

**Job Qualifications:**

Older workers are struggling to find new jobs despite their experience, and young graduates are struggling to find new jobs, because they have none. Typically, teenagers and those in their twenties who are fresh out of education do not find jobs right away, especially if the country’s economy is experiencing difficulties. The youth lack the experience needed to fulfill job requirements. Elders are hired instead of the youth creating a cycle that excludes the youth. Vocational school can be an answer to the lack of experience.

**Inefficient Labor Markets:**

The theory of poaching suggests it will not benefit firms to provide workers with general skills that can be transferred from job to job. Firms are more likely to wait for other firms to spend money on training, and then poach workers with higher salaries, which they can afford because they have spent less on training. Poaching is an example of the free-rider problem similar to that associated with [merit goods](http://www.economicsonline.co.uk/Market_failures/Merit_goods.html). In this case, training provides an external benefit to others, which they do not pay for.

Therefore, in free markets, there is likely to be a [skills gap](http://www.ft.com/cms/s/2/08f174fe-314c-11dc-891f-0000779fd2ac,dwp_uuid=e0c6c676-3099-11dc-9a81-0000779fd2ac.html), because insufficient levels of general skills, such as literacy, numeracy and IT skills, will be provided by private firms.

### Possible solutions include:

Because there is little incentive for firms to train workers in general skills, the government can compensate by:

1. Providing vocational training by sponsoring college and university courses that are less academic and more focussed on jobs and job skills.
2. Adding a skills component to academic courses, such as Keys Skills and [Functional Skills](http://www.qca.org.uk/qca_6062.aspx) in the [National Curriculum.](http://curriculum.qca.org.uk/)
3. Giving financial assistance, such as training grants or subsidised training loans, such as [career development loans](http://www.direct.gov.uk/en/EducationAndLearning/AdultLearning/FinancialHelpForAdultLearners/CareerDevelopmentLoans/index.htm).

## **Labour immobility**

Labour immobility means that labour does not ‘move’ to where it is in greatest demand.

There are three types of labour immobility:

### Geographical immobility

Geographical immobility occurs when workers are not willing or able to move from region to region, or town to town. Immobility is made worse by immense [house price](http://www.economicsonline.co.uk/Competitive_markets/House_prices.html) variation between regions. It may be extremely difficult for someone in Yorkshire to sell their property and buy an equivalent one in London.

Other factors also contribute to geographical immobility, such as strong social and family ties, and parents being unwilling to disrupt their children’s education by changing schools. The stresses of moving home can also be a deterrent to mobility for some.

### Industrial immobility

Industrial immobility occurs when workers do not move between industries, such as moving from employment in the motor industry to employment in the insurance industry. Industrial immobility has affected the UK, and many other industrial countries, as the growth of service industries, and the decline of manufacturing industries, has increased the need for mobility.

### Occupational immobility

Occupational immobility occurs when workers find it difficult to change jobs within an industry. For example, it may be extremely difficult for a doctor to retrain to be a dentist.

Industrial and occupation immobility are most likely to happen when skills are not transferable between industry and job.

Information failure also contributes to labour immobility because workers may not know where all the suitable jobs for them are.

A resulting problem with labour market immobility is that it can create regional unemployment, which is a type of [structural unemployment.](http://www.economicsonline.co.uk/Managing_the_economy/Unemployment.html) This means that a change in the structure of industry leaves some people unable to respond by changing job, industry, or location and as a result, they remain temporarily or permanently unemployed.

Immobility can also lead to rising labour costs, as firms have to increase wages to encourage workers to re-locate.

### Possible solution include:

There are several actions a government can take to increase the amount of mobility in the labour market. These can be through incentives or small nudges. Schemes either encourage workers to move or retrain, or give incentives for firms to relocate. Examples include:

1. Training and re-training schemes to enable labour to develop their general skills and become more employable in a variety of occupations or industries. General skills include transferable skills like numeracy, literacy and IT skills.
2. More [information](http://www.direct.gov.uk/en/Employment/Jobseekers/LookingForWork/index.htm) about job vacancies so that searching for work is easier.
3. Subsidies to labour or firms, such as help with re-location expenses, and subsidised housing.
4. Incentives to overseas firms locate subsidiaries in UK regions, such as in Wales or the North East.
5. Incentives to domestic firms to relocate to the regions, including providing ‘tax breaks’ and investment grants. Incentive schemes in the UK include [Enterprise Investment Schemes](http://www.hmrc.gov.uk/eis/index.htm) and [Venture Capital Schemes.](http://www.hmrc.gov.uk/manuals/vcmmanual/index.htm)

**Some Youth Simply Do Not Want to Work:**

A way of encouraging the youth to work must be thought of.

**Vocational School vs. Academic School:**

A vocational school is a post-secondary education that provides a student with high level skills for a specific career. An academic school trains a student for a field of work unlike an apprenticeship. Vocational school however provide youths with the necessary experience to start a higher level job. It then depends on the employer whether to higher the youth or not.

**Social impact of unemployment:**

Unemployment has a social impact and prevents the formation of new families due to incertitude of economic employment. This also generates low growth of a country.

**What makes Germany superior?**

Over 60% of youths in Germany choose vocational over academic education. This immediately offers them a job in their apprenticeship sector. Germany places an emphasis on high-level vocational schools.

Italy has the highest amount of youths not in training and neither employed.

The roadblock that youths face is that of inefficient labor markets.

Employers are also demanding employees with greater skills that the youths simply don’t have yet.

Also, some youths choose not to work, and not because of the crisis.

SOCIAL IMPACT OF YOUTH UNEMPLOYMENT

Youth who are not employed cannot count on a stable salary, and cannot plan their independent life: they will not buy a house or form a family and will not get married: in Italy, due also to the high rate of unemployment, The crude marriage rates (the number of marriages per 1,000 individuals in the population), fell between 1970 and 2007 from 7.35 to 4.21. The main reason for the drop in marriage is the “prolonged stay of young people in the family of origin.” Italy’s “precarious” work and housing situation, with house and rent prices increasing despite the global economic crisis, has contributed to young people staying in their parents’ home. Also, there is a very low birth rate: in 2015 the number of births minus the number of deaths gave a negative balance of almost 100,000, Italy’s worst level since World War One. The best students in the European countries with a high unemployment rate, go to complete their academic training in countries of the European Union where they can have more possibilities to get a job, like Great Britain or Germany, and then they would remain in those countries, so contributing to the loss of qualified workforce in their original countries.

What to DO:

-provide more funds for research and support for academic training for the youth.

- create courses of study more oriented to application ot real work situations

- implement laws and incentives to hire young people on a more stable way (not only on

training contracts that last 1-3 years)

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