Productivity, Investment in Human Capital and the Challenge of Youth Employment

ADAPT LABOUR STUDIES BOOK-SERIES

International School of Higher Education in Labour and Industrial Relations

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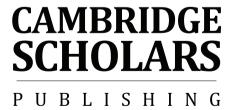
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FOREWORD

TAYO FASHOYIN AND MICHELE TIRABOSCHI

In an international and comparative perspective, access to the labour market on the part of young people is a complex issue with certain contradictory aspects reflecting the level of development of public policy, labour law and industrial relations in the respective countries.

In the most advanced economies there has been a steady increase in the age at which young people exit the educational system and enter the labour market, giving rise to significant economic and social problems. The increase in the levels of educational attainment is associated in some cases with an alarming rate of unemployment among those with academic qualifications, while employers encounter considerable difficulty in recruiting workers for unskilled and semi-skilled positions.

The economies of developing countries, on the other hand, are characterised by different trends, reminiscent of the early stages of modern labour law and their enforcement, resulting in large-scale exploitation of young workers and children. Many of such young entrants into the labour market join the flow of migrants towards the more highly developed regions of the world, with the consequent risk of impoverishing human capital in the country of origin.

In this connection, the *ADAPT LABOUR STUDIES BOOK-SERIES* has been set up with a view to advancing a better understanding of those issues in a global dimension through an interdisciplinary and comparative approach.

We wish to express our sincere thanks to Martina Ori, Barbara Winkler and Machilu Zimba for their editorial assistance.

YOUTH AND THE CHANGING WORLD OF WORK

PIETRO MANZELLA AND LISA RUSTICO

The labour market poses serious challenges in terms of youth employment, with this topic increasingly attracting the attention of many experts and policy-makers at an international level. Although from different perspectives, the provision of job opportunities to young people is deemed a priority in many countries. Far from being the direct result of labour reforms, adjustments in employment policies primarily stemmed from wide-ranging changes occurred in some production methods and work organisation, also considering the shift from an industrial-based to a service-based society. In this respect, by facing turbulent school-to-work transitions, unprofitable investments in education, joblessness and precariousness, the younger generations suffer the most from ineffective labour market dynamics and self-referential education systems, with such variables that are tightly intertwined, as shown, for instance, by the impact of the educational attainment levels on youth unemployment rates. When poorly educated, young people are more exposed to the effects of unemployment, even on the long run. Especially those who leave the school system without any formal qualification - dropouts - or those neither in employment nor in education and training – the NEETs – are at risk of suffering from bad economic conditions, social exclusion and lower participation in continuous training throughout their lives.

Young people still remain one of the weakest segments of the labour market, as particularly exposed to economic turmoil and changes, and this aspect is even more dramatic if we consider the increased dependency ratio, flowing from the ageing population. Moreover, while in employment, young people are often engaged in precarious jobs, therefore becoming more vulnerable to job loss than their adult counterparts. Besides facing employment instability, youngsters also lack adequate skills, and those qualifications the labour market longs for. In addition to formal qualifications, holding "the right skills for the right jobs" on the part of young people would represent a means to face such challenges and avoid risks of precariousness. However, matching labour demand and supply is regarded as a viable solution only through a dynamic and mutually

supporting relationship between educational and training institutions and the labour market.

On the basis of these considerations, and in an awareness of the seriousness of the foregoing questions and consequences that ensue, the papers in this volume aim at providing some valuable insights into the issue, taking as a starting point initiatives, policies and legislative measures adopted in different national contexts to tackle young people unemployment.