

Unemployment Crisis and the Lost Generation

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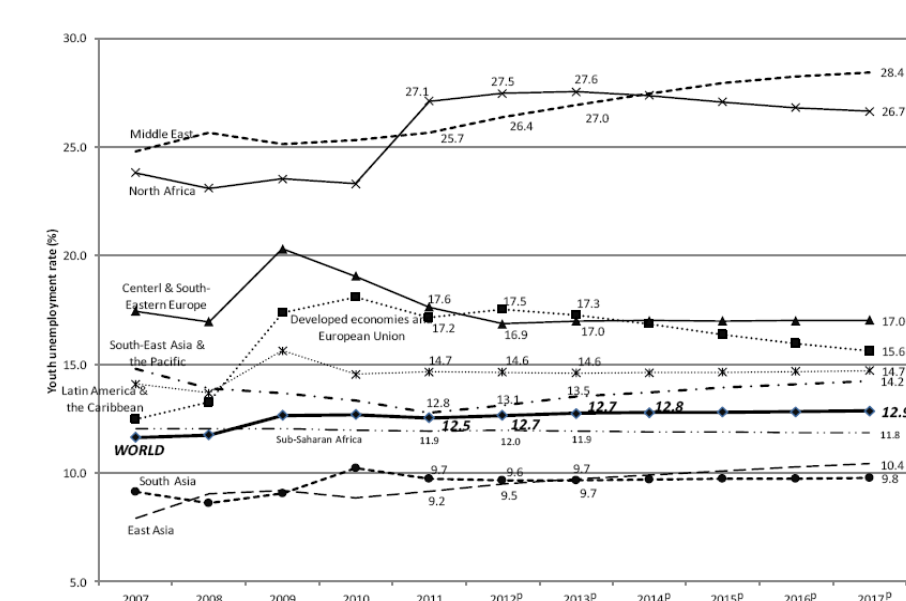
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Introduction

The expansion and recession of economic cycles continue to affect the happiness, satisfaction, and well-being of societies, more and more people pay close attention to some emerging issues such as inflation, unemployment and social policies. This paper considers how the changing characteristics of young generation in the labor market have influenced those who so-called NEET, and also explores the concept of the future of youth employment through the following question: a) What are the effects of the current status of youth employment on social cohesion? b) What factors have led to NEET outcomes? c) Which macro-economic policies have the strongest impact on employment and what macro-economic strategies can increase youth job creation?

The negative effects of unemployment on young people have taken various forms over the previous few decades, including vulnerability to poverty, difficulties in family formation and anti-social behaviors. Beyond macroeconomic perspectives, if a young person transitions successfully from education to decent and productive employment; it will have lasting effects on their chances of preventing poverty throughout their life cycle. (ECOSOC, 2012) A large youth population can also be a potential source of political instability. Youth employment is an important issue to the current and future economic and social development of most countries.

Figure 1 Global Youth Unemployment rates(15-24), 2007-2017



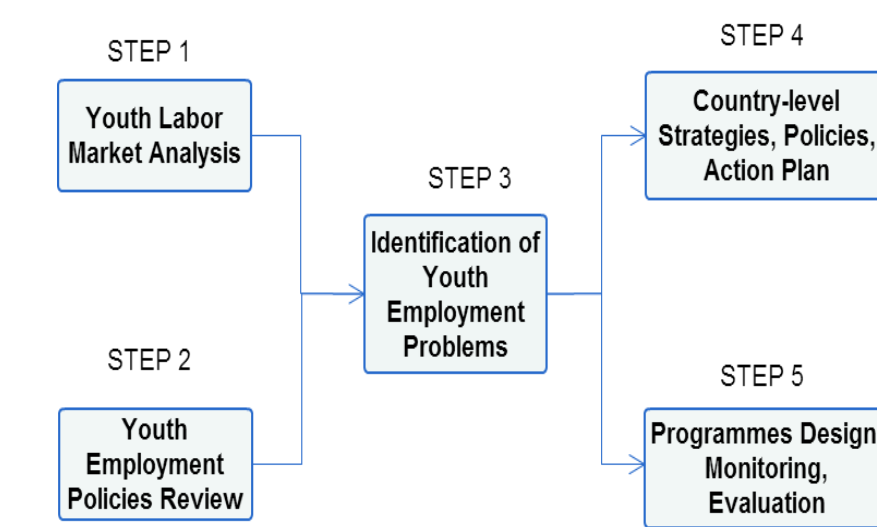
Young unemployed people around the world are difficult to see their situation improve soon. As the euro area crisis continues, the impacts are spreading further, slowing down economies from East Asia to Latin America. The difficulties of young people to find gainful employment reflects the overall weak state of labor markets around the world during last few years.

Result

While the primary objectives of ensuring a smooth transition from school to work and of preventing long-term unemployment are broadly similar across countries, three key policy areas are meaningful to abate the alarming situation of young people in the labor markets, include: a) Education and training to ease the school-to-work transition and to prevent labor market mismatches. b) Labor market policies to target employment of disadvantaged youth. c) Entrepreneurship and self-employment to assist potential young entrepreneurs.

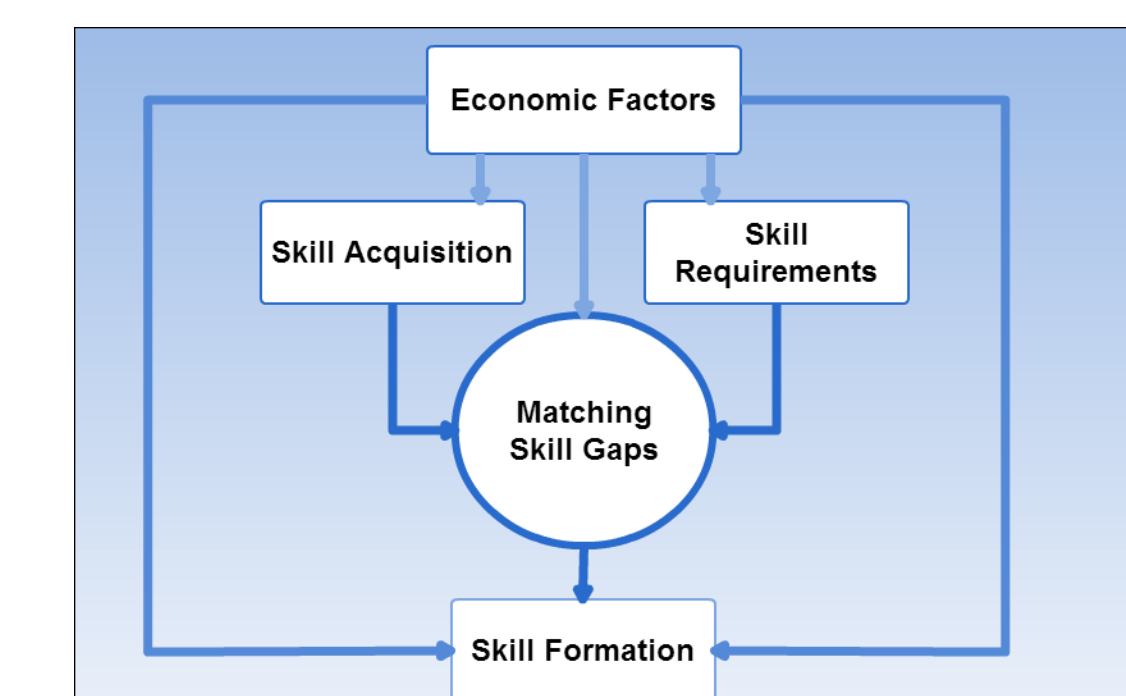
The financial crisis and its aftermath had a big effect on young people, many of the employed young only have informal and intermittent jobs, and the recession raises youth unemployment disproportionately.

Figure 3 Country-level model for technical assistance on youth employment



The model shows the technical assistance of International Labor Organization, ILO helps member States to formulate national action plans, design and implement training courses, and share tools, guides and methodologies to support youth employment interventions.

Figure 4 Economic context and skills mismatch



Skills mismatch is an encompassing term which refers to various types of imbalances between skills offered and skills needed in work, and it applies equally to the employed and the unemployed. Mismatch and training gaps explain why youth unemployment risen more than in previous recessions and stayed high.

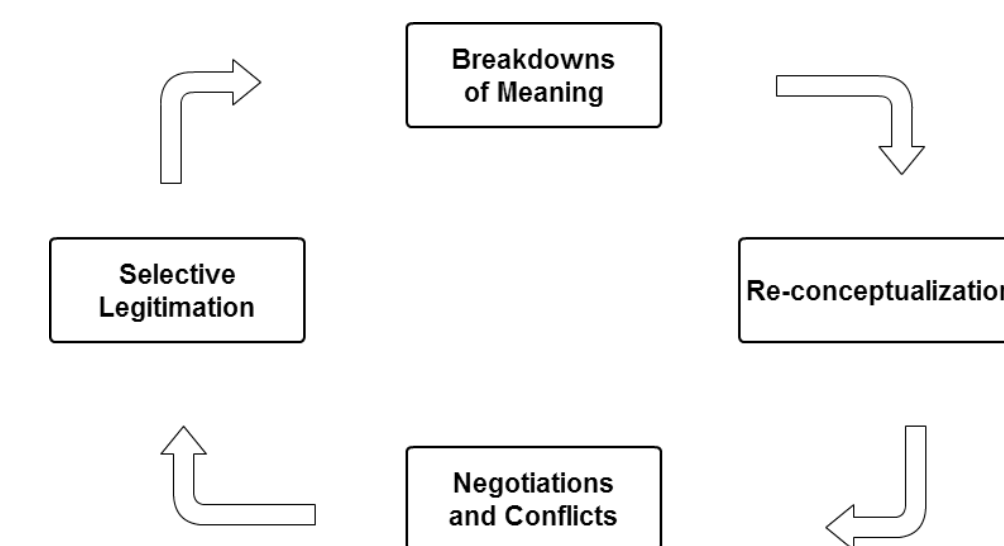
One the other hand, unusually delaying graduation and NEET problems are not only damaging to individual life outcomes, but lead to growing costs for the government, the wider economy, and society.

Method

Economic globalization is the increasing economic interdependence of national economies across the world through a rapid increase in cross-border movement of goods, service, technology, and capital. The recently recession resulted in the threat of total collapse of large financial institutions, the bailout of banks by national governments, and downturns in stock markets around the world. Improvements in youth labor market outcomes can only be achieved through an in-depth understanding of both global and country-specific employment and labor market issues. This paper try to develop a continual process of global ordering with the old embedded in the new through "The Transformative Cycle" (T Cycle)(Richard A Slaughter, 2005) to create alternatives of youth employment.

To analyze the unprecedented youth unemployment crisis, we conduct a focus interview and try to locate new ideas through exploring the T cycle model.

Figure 2 The Transformative Cycle



There are four broad stages of the T cycle, a) Breakdown of meaning, these refer to understandings, and concepts which once seemed sound and viable of youth unemployment but which now no longer command wide and unquestioned support. b) Re-conceptualizations, these come in the form of proposals, suggestions, innovations, new/renew meanings of post-recession youth unemployment.



c) Negotiations and Conflicts, new ideas that they often tend to challenge dominant social interest. Thus new ideas of fighting youth unemployment are seldom adopted without a protracted period of negotiation and conflict. d) Selective legitimation, some proposals of improving youth labor market does get accepted and these become assimilated into daily action.

Conclusion

The youth employment crisis, considerably aggravated by the global economic and financial crisis, now requires governments, employers and workers to work even harder to promote, create and maintain decent and productive jobs. Action and partnership at the national, regional and global levels will succeed in changing the dire situation of young people in labor markets.

Some policies of OECD countries could be considered part of a pro-employment growth strategy, a) Promoting economic diversification. b) Reducing economic instability. c) Loosening constraints on micro, small and medium-sized enterprises and private sector growth. d) Focusing on demand-side interventions. e) Youth-friendly fiscal policy. (ILO, 2012)

A life-long education and training could enhance youth employment opportunities. It seems need to continuously upgrade the educational and skill level of youth labor force to develop their career in the global economy, for instance, apprenticeship, internship, work-training programs, collaborate with virtual teams.

Youth entrepreneurship and self-employment can be a pathway to decent work and sustainable enterprise for some young people and should be a component of national efforts to address the youth employment crisis. Creating the conditions for increasing we-based and freelance self-employment is one of the solutions for youth unemployment. Helping young people create their own jobs is more basic than venturing capital and incubators. iCook愛料理 and CAMPOBAG are two creative and initiative self-employed business models in Taiwan.

Case Study



iCook.tw is the fastest-growing social recipes site in Taiwan; it focuses on recipes, and provides a pinterest-esque platform for people to share their tastiest concoctions. And it monetizes via a mix of banner advertisement and promotional tie-ups with food companies, as seen with its brand-oriented recipe and cooking contents. But the startup mainly focuses on building up its user-base and Facebook fandom. For now, as well as its iOS app, which was released 2012, has reached 350,000 downloads on January 2013.

Japan's Cyber Agent Ventures invested in iCook on 2012, it believes that there is a void for this type of media in Taiwan, and successful business models have been executed off existing recipe-based Social Networking Services (SNS) in Japan.



Source: <http://icook.tw/?ref=logo>



Campo is Taiwan's first urban creative market. It has aroused the enthusiasm in Taiwan's young artists to express themselves. Then CAMPOBAG was established in 2008, providing an unofficial platform for young artists to develop their creative brands and help them to manage their creations. CAMPOBAG's mission is making good ideas turn into good business in a creative way.

There are two impressive focuses of CAMPOBAG, a) "Cooking Together Creative Sharing Circle". It creates an open, homely environment for creative people to share their ideas and work processes, like cooking food. b) "Market Life". CAMPOBAG has opened a new dialog about creativity and continues to allow the general public to discover the treasures that Taiwan's arts community has to offer since 2010.



Source: <http://www.campobag.com/>

Further Information

Dr. Yu-Ying Teng is a lecturer of Tamkang University who specializes in regional studies, industrial agglomeration and economic integration. Teaching courses: Futures Studies in Economy, Knowledge-based Economy and Society, Happiness and Economics, Taiwanese merchants in China.

