



ERASMUS+ TARGET 2020: FIGHTING UNEMPLOYMENT IN EUROPE

CASE STUDY

SOLUTIONS FOR UNEMPLOYMENT FROM DIFFERENT VIEWPOINTS

Industries are undergoing changes of great importance due to the introduction of new technology, especially in the fields of robotics and computer science.

These advances enable the automation of industrial processes and make the job easier for workers. Nevertheless, they may have negative effects such as the closure or restructuring of many industries, the destruction of jobs, and the increasment of unemployment.



Imagine you are an industrial company willing to use new technologies in order to earn extra benefits and be more competitive.

This decision, however, will destroy jobs of less skilled workers. The following table shows the evolution of the company:

WELDING TECHNIQUE S.A.		
	Current situation of the company	Situation after automation process
Skilled workers	20	20
Unskilled workers	60	40
Part-time workers	10	20
Total number of employees	90	80

We will organise 4 transnational groups.

Each group will assume one the roles described below :

EMPLOYER

I am interested in benefits. This will be possible with the automation of the manufacturing process and by reducing manpower, wage expenses, etc.

We know that this situation will produce unemployment among unskilled workers, but if we are not competitive enough we will have to close our factory.

In times of hard work, we are willing to hire people, qualified or not qualified, but always part-time.





SKILLED WORKER

The automation of industry will not affect us because our expertise lies in the implementation and management of new technologies.

Our skills are crucial for the company to gain a competitive profile. In the event of being fired, we could probably find another job.

UNSKILLED WORKER

We have worked for this company from the very beginning and this has been our only job for many years.

Due to our age and lack of specialized skills, it won't be easy for us to find another job. Besides, unemployment benefits would not be enough to support our families, and the labor market just offers temporary contracts with low salaries. Therefore, the only way to support our families is to carry out undeclared work.



YOUNG UNEMPLOYED PERSON

We are young people with no work experience but with good training and skills. We do not have family obligations, and we are willing to accept part-time jobs that could open up positions in the labor market for us.



Each group will defend the position of the roles represented above taking into account the following questions and the interviews you conducted to people representing these roles in your community:

1. Is the automation of this company convenient? Why if yes/no?
2. What do you think it could be done to solve the problem of unemployment?



1. Is the automation of this company convenient? Why?

EMPLOYER

FOR	AGAINST
<ul style="list-style-type: none">❖ Better quality of the products❖ Less cost of production❖ More profit in long term❖ Easier to deal with machines (employees might want to increase their salary or ask for other benefits)	<ul style="list-style-type: none">❖ Cost of machines❖ Cost of maintainance

1. Is the automation of this company convenient? Why?

UNSKILLED WORKER

FOR	AGAINST
<ul style="list-style-type: none">❖ Workers can find a job as machine operators.	<ul style="list-style-type: none">❖ Finding another job can be difficult❖ There are no competitive workers❖ Increase of unemployment❖ A machine can not do the things that a human does

1. Is the automation of this company convenient? Why?

SKILLED WORKER

FOR	AGAINST
<ul style="list-style-type: none">- Development and improvement is good for increasing the work efficiency- New technologies and modern machines require skilled specialists to use them- Inventors and engineers are producing new machines and technologies- New computer-controlled machines are much safer and more efficient than older manually-operated equipment. This fact brings benefits to the company and the employees	<ul style="list-style-type: none">❖ Constant automation leads to reducing the amount of workplaces, which leads to dismissal of employees❖ Failure of the smallest component in a fully automated production line may cause it to entirely stop. Controlling every single component takes a lot of time and money.

1. Is the automation of this company convenient? Why?

YOUNG UNEMPLOYED PERSON

FOR	AGAINST
<ul style="list-style-type: none">❖ Job roles for well instructed future employees (like us) will be created.❖ The increase of part-time jobs will create new opportunities of employment.	<ul style="list-style-type: none">❖ Too low wages, bad and illegal contracts in general.❖ Less practical experience during the school period.

2. What do you think it could be done to solve the problem of unemployment?

EMPLOYER

<u>Possible solutions</u>	<u>Extract from interviews</u>
<ul style="list-style-type: none">❖ Improvement of the skills of the employees❖ Free stages to develop new skills❖ Changes in the educational system preparing pupils for a specialised work❖ Encouraging people to start their innovative activities, underlining the reduction of costs due to technology❖ Specially designed laws	<p>“There must be laws properly designed to reduce taxes because you invest capital where there is political, social and economic fabric ready to implement it”</p> <p style="text-align: right;"><i>Italian businessman</i></p> <p>“People should not be leaved that the government will ensure their future. They have to be active with innovative ideas”</p> <p style="text-align: right;"><i>Greek businessman</i></p>

2. What do you think it could be done to solve the problem of unemployment?

SKILLED WORKER

<ul style="list-style-type: none">❖ Organising trainings and courses for people without necessary skills to operate the newest technology, if they're willing to learn.❖ More practical training activities❖ Encouraging people to seek for a job, for example at labor offices.	<ul style="list-style-type: none">❖ The educational system should react faster on labor market needs. Illegal job market should be reduced as much as possible.❖ Regulations about labor market and working conditions/salaries should be strictly enforced, with a better use of governmental funds for new companies.

2. What do you think it could be done to solve the problem of unemployment?

UNSKILLED WORKER

- ❖ Workers can work to repair the machines
- ❖ More permanent jobs to try to reduce unemployment
- ❖ More education for unskilled workers
- ❖ Lower age limit of retirement
- ❖ More people working but for less time
- ❖ Prevent company closures
- ❖ Distribution of the work

2. What do you think can be done to solve the problem of unemployment?

YOUNG UNEMPLOYED

<ul style="list-style-type: none">❖ Employers should be encouraged to employ young workers who don't have any work experience yet. The main point is that the government should be interested in this issue.❖ Organise training courses for unskilled workers.❖ Change in educational system to make it more coherent with labor market needs.	<ul style="list-style-type: none">❖ Gaining more practical skills during the educational process rather than constantly learning theory.❖ Fight against illegal employment.❖ Protect labor regulations.❖ Government should provide new workplaces and good living/working conditions for young people starting their career.

CONCLUSIONS

1. Is the automation of this company convenient? Why?

It is convenient, since computer-controlled machines replace people at jobs that are very dangerous or require a level of precision and consistence impossible to be achieved by manual labor. Machines are also much profitable for companies than employing many people – it is much cheaper to buy and mantain a machine than employing a lot of people to do the same job. However, there are also disadvantages in the technological revolution – the amount of workplaces is reduced, since machines replace people at work. This is true, however, for unskilled workers. For skilled workers, automation is convenient, since all those machines need human workers to operate and maintain them.

2. What do you think it could be done to solve the problem of unemployment?

- ❖ To prepare people in high school for labor market.
- ❖ To distribute the work by reducing the labor day.
- ❖ More vocational education.
- ❖ People with less practical training should benefit from special training courses.
- ❖ Special contracts for disabled people.
- ❖ Special contracts for people in vulnerable situations concerning the labor market, e. g. young and elder people.
- ❖ Advanced retirement.

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