

89 Initiative - Italy Programme

Re-thinking graduate labour market entries after the pandemic: What role for Italian and EU institutions?

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Synopsis:

The aim of this Programme is to review the evidence on the labour market impact for university graduates during the Covid-19 pandemic with a view of developing some deep-thinking around the future role of institutions in Italy and in the EU to reduce the effect of scarring particularly on the **younger generations** which have been greatly affected by educational gaps and varying labour market conditions.

According to the literature, active labour market policy programmes, such as training and subsidised employment, often contribute to improvements in occupational attainment and job stability. For instance, the European Commission's new instrument to '**Support to mitigate Unemployment Risks in an Emergency** (SURE)' recognises this as part of a broader strategy to support short-term employment. Yet, given the unique characteristics of the Covid-19 pandemic and its **cohort effects** on recent and current **graduates**, a revision of the traditional set of policy tools would be required, particularly to avoid those generations will be at a disadvantage when entering the labour market. Understanding the labour market consequences of this unprecedented pandemic-led recession, especially for the younger cohorts, therefore becomes crucial to identify and design **targeted policy interventions** at both the national and EU level.

Education and graduate **labour market entries** have been hugely impacted by Covid-19. The pandemic has exacerbated income and spatial inequalities with an impact on students' performance and employment prospects. The absence of digital learning skills across many parts of Europe just before the pandemic hit has affected dramatically the potential of European graduates. Equally, the lack of broadband availability might have created divides in university achievement with potential labour market impacts for those graduates. Thus, it is no surprise that recent broad-based initiatives such as the **EU Recovery and Resilience Fund** (EU-RRF) identify those as their priority investment.

Existing EU schemes which fall under the Youth Strategy 2019-2027, such as **Youth Goals on 'Quality Employment for All'** demonstrated the tremendous benefits of establishing initiatives that intervene in young people's lives at critical conjunctures. Yet, it is time for European governments to acknowledge the critical role that education plays in training young people for jobs and

entrepreneurship for the future of the economy. Upskilling the current workforce, one of the objectives of the EU-RRF, is only the start, and there is a need to guarantee that the next generation of EU citizens will obtain the necessary skills to recoup from these lost years.

This **89 Initiative - Italy Programme** is designed to give students a practical understanding of those issues by both using ready-available statistics, such as the EU Labour Force Surveys, and by developing a pilot survey at their home University, which will be administered via an online questionnaire.

This approach, while helping the students being involved in the quantitative aspects of the research question, will also provide concrete evidence which will form the basis for a **critical evaluation** of both Italian and EU initiatives.

About the Programme Directors

Corrado Macchiarelli (PhD Collegio Carlo Alberto/Università di Torino) is Manager for Global Macroeconomics Research at the National Institute of Economic and Social Research, an Associate Professor in Finance and Economics at Brunel University, London, and a Visiting Fellow in European Political Economy at the London School of Economics. Before, he was an Economist at the European Central Bank and a PhD Intern at the International Monetary Fund; in the past, he has worked on several projects and consulted for the European Commission, the European Central Bank, the European Parliament, the Swedish Riksbanken. His interests mainly lie in the fields of international macro and finance and European economic governance

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