



## Unemployment in the West - The quest for jobs

It is not impossible for politicians to reduce the West's frighteningly high unemployment levels

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A LITTLE geographical imagination helps to convey the scale of joblessness in the West. If the 44m people who are unemployed in the mainly rich members of the OECD lived in one country, its population would be similar to Spain's. In Spain itself, which has the West's highest jobless rate (21%), the number of people without work matches the combined population of Madrid and Barcelona. In America the 14m people officially jobless would form the fifth-most-populous state in the union. Add in the 11m "underemployed", who are working less than they would like, and it is the size of Texas.

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The landscape is not uniformly bleak. Germany, for example, now has a lower jobless rate than before the financial crisis. But in most of the rich world the proportion of people unemployed, though down a bit from its peak in 2009, is still alarmingly high, even as fears mount that several countries may be slipping back into recession. And the human cost of the economic crisis is paid largely by those who are out of work, for joblessness increases depression, divorce, substance abuse and pretty much everything that can go wrong in a life.

Worse, today's joblessness is a particularly dangerous sort. A disproportionate share of those out of work are young, and youth unemployment leaves more scars, in terms of lower future wages and greater
15 likelihood of future unemployment. Joblessness is also becoming more chronic. In America, famous for its flexible labour market, the average jobless spell now lasts 40 weeks, up from 17 in 2007. In Italy half of those without work have been so for more than a year. Long-term unemployment is harder to cure, as people's skills atrophy and they become detached from the workforce. Its shadow lingers, reducing future growth rates, damaging public finances and straining social order for years to come.

20 This mess will not be fixed quickly. Even if growth accelerates, unemployment will remain worryingly high for several years. Many remedies, such as retraining workers, take time. But that only makes it all the more shocking that politicians have done so little. America is stuck in a sterile debate, with the left claiming that the government is not spending enough, while the right insists that big government is destroying jobs. An increasingly unpopular Barack Obama was due to address Congress on the subject just Alain Girault & IsabelleMarfaing - Formation promotionnelle - Académie de Grenoble 25 after The Economist went to press. Across the Atlantic many of the responses to the euro crisis seem designed to drive up joblessness. The West's leaders can and must do better.

### Go for growth

The immediate priority should be supporting demand—or at least not doing harm to it. The left is right on one thing: the main cause of the current high joblessness is the severity of the last recession and the

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30 weakness of the subsequent recovery. Yet the West's economies have embarked on contractionary policies. In some cases the fault lies with monetary policy: the European Central Bank should reverse its recent rate rises. But the main culprit is a collective, premature shift to fiscal austerity by governments.

As this newspaper has repeatedly argued, politicians need to strike a bargain with the bond markets: combine policies that cushion growth now with measures that will bring deficits under control in the 35 medium term. Raise the retirement age, for instance, and that leaves more room to stimulate growth in the short term. A minimal test of Mr Obama's jobs agenda will be whether it is big enough to counter the fiscal tightening, equivalent to 2% of GDP, that is slated for next year.

Where should the short-term money go? Some forms of stimulus are better than others at supporting employment. Germany's subsidies for shortened working hours helped dissuade firms from firing workers; 40 Mr Obama's subsidies for green technology fattened the bottom line of a few chosen firms but did very little to spur jobs. Governments should prioritise policies that do. Some infrastructure spending, such as building roads and repairing schools, falls into that category. So do tax incentives that cut the cost of hiring, particularly for extra new workers—which is why it makes sense for America to extend, and even expand, its payroll-tax cut. And so, in America's case, does federal aid to the states, since the main way states cut their budgets is by firing workers.

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### Easing the road ahead

So there are ways in which government money can help. But it is also plain that the jobs mess is not just about demand: it cannot be solved with more stimulus alone. There is plenty of evidence—from declining employment rates for less-skilled men to rising disability rolls—to suggest that Western economies had a 50 brewing jobs problem long before the financial crisis hit. The combination of new technology and globalisation has reduced the demand for the less skilled, and many workers, particularly men, have failed to respond to these deep changes in the labour market. The shift in demand for skills has a long way to go, as our special report on the future of work explains. It suggests an important part of any jobs agenda must involve changes in education, more training to equip people in the rich world for tomorrow's jobs and 55 getting government off entrepreneurs' backs.

But it is also clear that labour-market policies themselves can make a huge difference. In many cases this means deregulation. In Spain 46% of young people under the age of 25 are out of work because there is a two-tier system, with mollycoddled "permanent" workers and easy-to-fire "temporary" workers, who are disproportionately young. Europe's Mediterranean economies could learn a lot from Germany's labourmarket overhaul. America is better at creative destruction, but it invests too little in ways to help the unemployed back to work. Mr Obama could usefully look to the Netherlands and Denmark for ideas on how to overhaul an antiguated unemployment system and improve its training schemes.

Do all these things correctly and the quest for jobs will take less time. But it has taken Western governments too long to grasp the seriousness of their jobs problem. Many people will suffer because of that.

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# <u>4 key questions: Who? To whom? What for? How?</u>

(Answering these 4 questions helps grasp the essentials of <u>any</u> document.)

# Who?

# The Economist

The *Economist* is a weekly news and international affairs publication. It is supportive of free trade, globalization, government health and education spending, as well as other, more limited forms of governmental intervention.

# To whom?

It targets highly educated readers (informed readers interested in economic or/and political issues - people concerned about the social and economic safety of the West...). The economist claims an audience containing many influential executives and policy-makers.

# What for?

Article aims at:

- A. Informing about the current issue of unemployment in the West.
- B. Drawing attention to the gravity of the situation (sounding the alert). The fight against unemployment presented as a quest (title)
- C. Proving how influential a magazine like the Economist can be (by offering/providing advice to policy makers)

# How?

A critical stance against politicians is adopted. Barack Obama is repeatedly accused of carrying out ineffective (economic) policies.

By appealing to the reader's imagination as the journalist puts it (L.1). The figures for unemployment in the West are not given bluntly but produced in a way that helps assessing / gauging their importance.

Among the other didactic devices used, the internal organization of the article may be mentioned. After introducing the issue at stake, (Unemployment in the West) quite logically the article states the reasons why the ranks of unemployed are swelling, and eventually suggests solutions.

By using / resorting to a well thought out/ rhetoric characterized by

- The use of negations (not impossible, not uniformly bleak, will not be fixed, is not spending enough, etc.)
- The use of words with strong negative connotations (*bleak, mess, etc.*), some of which being associated with fear (*frighteningly, alarmingly, fears, dangerous, worryingly, etc.*).
- The use of metaphors / many words referring to health are used metaphorically (remedy, scars, cure, etc.). Unemployment is presented as a disease/ an illness / a plague.

### 3) Lexique associé

#### UNEMPLOYMENT

 Adj. (ou assimilé) + unemployment:

 Considerable, high, huge, large-scale, mass, massive, widespread, rising, long-term, recurrent, youth, severe...

 Verb+ unemployment:

 Be faced with, cause, create, bring down, keep down, cut, reduce, increase...

 Unemployment + noun

 Figures, levels, rate, crisis, problem, relief, payments...

 Expressions:

 A period of unemployment, a rise, an increase, a fall <u>in</u> unemployment...

#### POLICY/IES

Adj. (ou assimilé) + policy Government, economic, financial, fiscal, coherent, controversial, domestic... Verb + policy Develop, establish, adopt, carry out, follow, pursue... Policy + noun Decision, making, change, statement... Expressions: A policy aimed at +Ving A policy of restraint in public spending...

#### ECONOMY

#### Adj (ou assimilé)+ economy

Booming, healthy, sound, stable, ailing, stagnant, weak, flagging, capitalist, market, planned, mixed, liberal, global, underground...

Verb + economy Boost, develop, rescue, reinvigorate, stimulate, strengthen, harm, weaken... Economy + Verb Develop, expand, flourish, grow, go into recession, collapse, fail, slow, stagnate, recover... Expression:

The control, management, handling of the economy...

### <u>ISSUE</u>

### Adj (ou assimilé) + issue

Crucial, burning, key, controversial, complex, thotny, unresolved, economic, political... Verb + issue Address, consider, tackle, raise, debate, touch on, avoid, evade, settle, speak on...

#### EFFECT(S)

### Adj (ou assimilé) + effect

Decisive, side, powerful, noticeable, damaging, disastrous, devastating, unfortunate, harmful, predictable, short-term, long-term, domino, lasting...

### Verb + effect

Bring about, produce, experience, suffer (from), measure, cushion, lessen, minimize, magnify, counteract, avoid...