

## **The impact of Transition 4.0 on youth unemployment rate: the case study of the reindustrialization of the Industrial Area of Aversa Nord in Campania region (Italy).**

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This research inserts in the studies dedicated to interpreting the causes and consequences of the economic and social gaps existing between the different European regions. In a perspective that combines micro, meso and macro dimensions, the theoretical framework within which the research moves conjugate both the literature on regional development ; Trigilia and Burrioni, 2009; Viesti, 2021; Broccoli, 2020), that relating to studies on *Deindustrialization* (Tregenna, 2009; Rodrik, 2011, 2015; Brenanav 2022; Bubbico, 2015) and on Transition 4.0 (Schwab, 2018; Meyer et al., 2019; Nocenzi, 2023; Ramella, 2021).

According to the estimates of the European Cohesion reports (2019, 2020, 2021), the less developed regions such as Italy have regressed: in 2019 the GDP per capita of the "South" returned to the level of the first years after the Second World War. Several authors attribute this failure to the inefficiency of the Cohesion Policies, attributable to both endogenous and exogenous causes: the first (endogenous) consist of the lack of skills at the administrative level and ineffective coordination in the institutional supply chain which does not allow the PECs to be implemented effectively. Added to this is the demographic decline, youth migration and conditions of abandonment and neglect especially in the most marginal areas of less developed territories (Viesti, 2021; Barca and Giovannini, 2020; Mazzucato, 2013, 2015). The second (exogenous) are due to the effects of *hyper-globalization, premature deindustrialization* (Stiglitz, 2018; Rodrik, 2015), exacerbated by the succession of crises: financial (2007), pandemic (2019), environmental and energy later to the Russian-Ukrainian conflict (2021).

In this context challenges of an aging population and the existing demographic decline significantly impacts economic growth and intergenerational solidarity (EU Parliament 2020). In addition, the inner areas of the less developed regions (Eurostat, NUTS2) have furtherly suffered the phenomenon of young migration (within and outside national borders) which is strictly related to the lack of job opportunities. The mentioned process of *'deindustrialization* has sharply transformed traditional European economies into service economies, i.e., post-industrial societies (Lever, 1991). This kind of process left inner areas behind in a "premature deindustrialization" (Rodrik, 2015) whose effects have impacted on the reduction of the employment rate in the main industrial sectors, such as manufacturing (Tregenna, 2009;

Rodrik, 2011, 2015; Brenanav 2022; Bubbico, 2015). In this regard, some studies developed place emphasis on the phenomenon of back-shoring and/or de-globalization according to which several European companies in the manufacturing sector choose to return or reinvest in their home country (Dachs, B., & Seric, A., 2019). According to the authors, among the most determining factors, there is the influence and incentive of the new European industrial policies in pursuing Transition 4.0, (Lo Re et al., 2016; Meyer, 2019), which is also defined as the Fourth Industrial Revolution (Schwab, 2018; Bianchi, 2023). Hence, the objective of this work is to identify opportunities and potential solutions offered by the new phase of Transition 4.0 in empowering the youthful population to overcome the dramatic trend in terms of demography and unemployment rate.

For these reasons, through a particular Case Study, this research analyzes the impact of Transition 4.0 into the recovery of the loss of jobs and know-how in the domestic sector, following delocalization (Barbieri, Elia, Fratocchi, Golini, 2019;). The attempt is to understand the impact on young employment rate and how it is changing with the new phase.

The subject of the Case Study is the reconversion of the former industrial plants which regarded three different companies: Indesit, Whirlpool and Seri Industrial Group. The plants are located in an inner area of the region Campania (in the south of Italy) and are now the object of new entrepreneurial project based on the green production of Lithium Battery, leaded by the *Seri Industrial Group*, which is demonstrating to invert the deindustrialization direction thanks to synergy with the new European policies for Transition 4.0. The alignment between private and public actors opened new job opportunities with positive effect on both local and non-local young people. This project represents a real example of the Transition 4.0 impact, which is affecting the capitalist system, employment and unemployment rate, and reformulating crystallised practices (Nocenzi, 2023).

Under economic sociology perspective, the methodology adopted is qualitative. It involved both the analysis of secondary sources relating to youth unemployment rate data and the use of semi-structured interviews carried out from January to April 2023. In total there are 22 semi-structured interviews balanced between the types of subjects analyzed. The work was structured into three sections corresponding to three evolutionary processes identified as follows: [1] Industrialisation: Indesit and IS: 1970 - 2013; [2] Deindustrialization: from Indesit to Whirlpool: 2014-2017; [3] Transition 4.0: from Whirlpool to Seri Industrial Group: 2017 -

2022. The first section [1] provides an introduction of the case study, as it examines the implementation of development policies between the 1950s and 1970s in the province of Caserta. The central role of the institutional actor in the management of industrialization programs aimed at the province is examined and, subsequently, the factors determining the establishment of the large industrial groups of the North are identified (1970) in relation to the approval of political laws industrial and, specifically, incentives related to employment. The section concludes the transition to the neoliberal policy model. A significant space is occupied by the analysis of the effects of the 1973 oil crisis, which destabilized the industrialization phase and culminated in the sale of Indesit to the industrial group Merloni Elettrodomestici. This passage marks the beginning of the second phase of deindustrialization analyzed in the following section [2] which, specifically, deals with the passage that occurred with the sale of Indesit to Whirlpool, in the crucial period from 2011 to 2017. In particular, the Merloni's managerial strategy for Indesit which introduces a three-year plan (2011-2013) aimed at optimizing production by reducing times and costs. Project that predetermined the start of layoffs and the closure of the plant. In this step, the entrepreneurial behaviors and opinions of the actors directly involved are analyzed. We investigate the elements characterizing the transformation phase, marked by conflicts between unions, companies and institutions. The next section [3] concerns overcoming the impasse caused by Whirlpool and analyzes the Transition 4.0 phase, started by the investment in 2017 of a new economic player: the Seri Industrial Group (or Seri). This latest industrialization plan proposes a new production model that reflects the new trends in European industrial policy and pursues the new objectives driven by the 4.0 Transition. The analysis focuses on the adoption of European policy tools adopted by the company, which are fundamental for understanding the new dynamics of interaction between private and public actors and how the relationship is reconfigured in relation to the new transformations. Particular attention is given to the trend in the youth unemployment rate and how this comes back into force following the latest industrialization plan. The final section [4] provides an analysis and reflection on the results that emerged, proposing a summary of the phases, and analyzing the factors considered to determine the 'change'.