



# Phase Separation Solutions (PS2): The China Question

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## The reason of choosing this topic

To inform people about Italy's problems before visiting it in order to be aware.



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# The First Problem

## Italy's Economy

Italy's economy has been slowly sinking for a long time.

1. The country is now in its longest recession in 20 years. Unemployment is at more than 11%; for under-25s, it is more than 36% are relegated to short-term contracts that leave them hopping job to job. That's not a recipe for a productive labor force.

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2. The Debt: Starting in 2001, Italy's GDP growth turned absolutely worthless. It plunged below zero during the global recession and has barely recovered since. Now investors are concerned about the country's ability going forward to cover its interest payments without incurring ever-higher levels of debt. Those fears, paired with restlessness over Euro-zone neighbors have forced Italy to pay more and more for credit. In the end, the government may not be able to sell enough new debt to cover its old debt.

3. Poor long-term growth usually stems from poor economic fundamentals. And Italy's fundamentals are bad. Productivity is the amount of value each worker creates over time. Italy's productivity gains, meanwhile, have been terrible. Reaching back to the 1990s, Italian employees have been clocking longer hours while producing less. Today, Italy's economy dominated by red tape and small companies, which lack the funding to make technology investments that would improve their competitiveness.

4. On a lot of traditional measures, like education and capital formation, Italy has actually been improving for the last decade but its governance decreases. Corruption and weak rule of law are poisonous for business. The government allows the country's robust underground economy to flourish.

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5. Italy's troubles are also a regional story. When Giuseppe Garibaldi united the country in the 19th century, he brought together three distinct regions: the republics of the North, the central papal states surrounding Rome, and the southern Kingdom of Sicily. Some believed that the regions were too distinct to function as a single country. And as the Economist has pointed out, the cultural divides have stayed shockingly impervious to change. GDP per capita in the North and center is more than 40% higher than the south, which holds about a third of the country's overall population. Unemployment, crime, and black market labor are also concentrated in the South.



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# Solutions

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Much more needs to be done to effect the kind of deep and lasting change needed to get Italy growing again.

- 1- Provide free education for children, teenagers, and adults. Also, provide them jobs in order to earn money.
- 2- Strengthen the manufacturing base, success exporters, and have a low budget deficit and high domestic savings. The government should help to stable the politics and have a strong rules.
- 3- Develop the country by spreading the knowledge to people and teaching people with no knowledge about the new technologies.
- 4- The country should balance between the three regions by providing more security and strong policies should be provided in the south part which will decreases the crimes.

# The Second Problem

## Italy's Transportation

1- The problem with roads in Italy is that there are many accidents and traffics that happen everyday. The most common cause of accident was ignoring road signs, followed by driving too close to the vehicle in front being distracted by driving and speeding.

2- It may come as little surprise to anyone who has run the gauntlet of its speeding mopeds and cars, but Italy has been named as the most dangerous city in Europe for traffic accidents.

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# Solution

1- Trains serve most of the country very well. For most people, an Italy trip begins with a flight to it. Most people choose between two main cities in the country for their arrival, but there are other opinions. Even if the route through Italy is concentrated in the bigger cities, for some routes it is more efficient cost-effective to take a bus than a train.

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