

# Now, More Than Ever!

Submission on Youth Unemployment to the Oireachtas  
Committee on Jobs and Social Protection



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“The Government is committed to giving any young person the best opportunity available to progress their career in Ireland.”

An Taoiseach Enda Kenny T.D., Wednesday, May 11 Speech to Young Social Innovators

## **Now More Than Ever!**

It isn't always easy being young in Ireland today. The economic downturn and the decline in traditional institutions means everybody is worried about the future. It is often said young people are the Ireland of tomorrow, we disagree, young people are the Ireland of today! All around this country by engaging with young people in our communities our workers and volunteers make Ireland a better place for young people to develop as active citizens.

Our work ensures young people choose healthy lifestyles, engage with their communities and develop as well rounded citizens today and for the future. By entrusting young people with leadership roles today we know our country is in safe hands tomorrow.

Ireland needs strong and vibrant local youth services in all our communities. Youth Work Ireland makes a real difference to young people's lives today and for the future. Young people and youth work need to be supported today if we are to have a tomorrow.

We work with over 70,000 young people with over 7,000 volunteers and nearly 1,000 staff in the four corners of Ireland

## **Introduction**

Our current economic turmoil has impacted on young people much more than any other group in society. There are currently nearly 73,000 young people on the Live Register and it is estimated that approximately one in three young males are currently unemployed. The collapse of construction has hit young people hard in terms of entry level jobs and the apprenticeship route in to trades. While there has been some improvement in these figures it is probably reasonable to assume emigration has played its part here and the annual population and migration estimates by the CSO support this.

Similarly, and crucially, the education and training system has not succeeded in dealing with what can only be described as a predictable major increase in demand. Young people cannot find a place in education and training at the moment with both the CAO and the PLC sector turning away thousands. This leads inevitably to unemployment and emigration. 33,000 young people left Ireland in the last year according to the CSO. The Government's Jobs Initiative was a welcome development in this area however recent speculation about a cap on third level places is worrying. The commitments in the Jobs Initiative are well below those in the Programme for Government hence we suggest an annual review of the Jobs Initiative with a particular reference to youth unemployment.

This upward spiral of youth unemployment and emigration and a failure to plan for the inevitable demand for education and training is truly a condemnation of our country and our economic performance. It is openly admitted that much of the debt incurred today will be with us for

generations, in other words young people who had no involvement in causing this crisis will be expected to pay for it.

Jobs and the economy are key concerns for young people. Youth Work Ireland and Voices of Youth (a youth media group we support) carried out a poll of over 1,000 young people in 2009 and the economy and their future was the key concern. Examples of some of the findings were;

- Nearly 60% expect unemployment after education
- 86% did not trust politicians with their future
- 73% did not believe the Government cared about young people and their future
- 80% felt there were less opportunities for young people in terms of education and training (87% less apprenticeships)
- The overwhelming majority cited the leadership skills of Barack Obama as what they were looking for (69%) as opposed to 4.5 and 5.8% for Brian Cowen and Enda Kenny respectively
- Over 79% feel more young politicians would mean more understanding of their issues
- Health was the most important issue to young people

There are no two ways about it, jobs and the economy are the key to young people's future in this country and urgent action is needed to restore faith in young people's very commitment to this state. Action on the macro economy, while important, is not enough without reference to outcomes in terms of jobs and the real economy.

### **Economic Backdrop**

There has been broad political consensus on the overall national finances in terms of reaching an annual budget deficit of 3% of GDP by 2014 as agreed with the troika of EU, ECB and IMF. However each successive year of consolidation puts more pressure on groups doing frontline work with the most disadvantaged people. There is a need for more imagination and we believe some small and targeted measures could go a long way to protecting some very valuable work.

The recently published Medium Term Fiscal Statement provides a greater level of detail on future plans for taxation and spending. It is disappointing that these forecasts rely on continued emigration and substantial unemployment rather than examining the costs of getting people back to work and living in their own country.

Clearly major cuts in public expenditure coupled with tax increases can have a deflationary effect on the economy and there is evidence to suggest that such a spiral may actually be occurring. There is thus a danger that the medicine might kill the patient.

We believe the real challenge to policy makers and key to young people's future is to provide a jobs and growth stimulus package while still achieving the long term targets on the public finances. It is not our role to provide precise figures on this but we believe drawing on work done already by others there are numerous ways of doing this without damaging the economy further or hurting the least well off. While we do not necessarily endorse all suggestions for revenue generation there are certainly a number to draw on, for example;

- Use of the remaining Pension Reserve Fund for labour intensive infrastructure projects
- Restriction of tax reliefs including pensions

- Possible disposal of non essential state assets
- Increased levies on Banks when profitable in the future
- Self Assessed Property taxes and water charges reflecting ability to pay
- A third rate of income tax
- Franchising out of state services to NGOs including youth services consistent with the Comprehensive Review of Expenditure
- An alcohol levy ring fenced to protect funding for youth work

While estimates vary measures such as the above could provide anywhere between 5 and 10 billion euro for the public finances. Given the need for a stimulus package for the economy we do not support cuts in the capital budget rather the use of pension reserve funds for the more productive projects which provide a return and contribute to job creation

While figures vary the general trend in youth unemployment has been upward in the last number of years. For example the figure in September 2008 was 53,700 and in August 2009 reached 95,000. The CSO also reports major flows of young people on to the live register. It is reasonable to suggest based on CSO figures (33,000 young people leaving the country each year) and anecdotal evidence that emigration is also keeping youth unemployment figures down.

Youth unemployment poses particular problems for our economy and society as having unemployment as your first labour market experience is a hugely negative factor in young people's development and future prospects. As many young people may not have developed strong roots in their communities through family or housing they are more likely to emigrate thus providing free educated workers to other competitor countries.

Nobody suggests that jobs can be created out of thin air however the very least the hard-pressed public might expect would be some form of coherent strategy with a dedicated focus on jobs beyond the simple macroeconomic route of spending cuts and bank bail outs. It is also important to recognise that while there is a need for job creation for young people any coherent strategy will be as much about training and education as job creation to ensure young people can stay in Ireland and avail of any economic recovery when it comes.

The late 1980's and much of the 1990's saw huge efforts to deal with the scourge of unemployment and long term unemployment in particular. The advent of area based strategies, the focussing of large amounts of EU structural funds and a variety of policy reports suggested many instruments to deal with this great social problem. Yet only a few years later the state seems only able to offer macroeconomic policy and public spending cuts. Many might ask have we come so far to forget so much.

In 1995 the then Government published the report of the task force on long term unemployment. In the 1980's the Government established a Youth Employment Agency which was later to be merged into FAS. The European Social Fund with a focus on vocational training and labour market programmes ensured that while doom and gloom reigned many young people still progressed through the education system with good labour market relevant qualifications. Despite its distance from the labour market Community Employment ensured many older and particularly disadvantaged workers could keep in touch for when the economy recovered.

Most of all the impact of European Social Fund instrument was to place a forceful emphasis on keeping young people in touch with the labour market and ensuring the presence of a pool of well qualified young people. Through Youthreach and Community Training Workshops the more disadvantaged young people were also catered for. However the decline in the ESF as a part of Irelands NDP seems to have similarly brought about a diminished focus on some of its priority areas. In the UK and other parts of Europe youth unemployment is a major issue while in Ireland it has received scant attention

Looking back to the height of previous unemployment figures we see a markedly different picture when reviewing the policy landscape. Over 40,000 people were on Community Employment schemes and another 25,000 on back to work and education initiatives in the late 1990s. These are relatively inexpensive measures capitalising on social welfare savings. The main Government initiative focussed on young people and the labour market today has been cuts to payments.

In times of plenty restrictions were placed on many labour market initiatives many relating to age. Many of these should now be reviewed. Even with unemployment on the rise we saw the spectacle of restrictions on PLC courses, a particularly useful intervention for those who do not go to other third level institutions. We have also witnessed the culling of apprenticeship numbers. These are short-sighted measures and seem to suggest many lessons of the past have been forgotten and the priorities of the ESF neglected.

The massive levels of attention paid to the growing number of youth unemployed in the UK contrasts starkly with Ireland. The Government must now begin the process of establishing a dedicated strategy on youth unemployment with the social partners and an examination of past approaches may be useful. A NESC report saw the beginning of a previous labour market revival while the Government's Task Force on Long Term Unemployment ensured such a recovery was somewhat inclusive.

Any strategy today must see young people as a resource and involve them. Youth Work Ireland has published a 10 point plan to deal with youth unemployment but accepts that others may have different ideas. However we need to have a stimulus package that will bring dividends to all our people. The linking of education and enterprise may offer particular promise when we review some of the major growth companies that have actually been started by young people in the field of ICTs for example. Many young people are happy to undertake rewarding and fulfilling work experience but this should be strictly monitored. While the Governments initiatives for graduates is welcome labour market measures must be for all our young people equally

A dedicated Government strategy on youth unemployment would be a signal of leadership and would be a signal of intent that our leaders believe in our future. The lessons of the past can be of some assistance. Starting out ones adult life on the dole is not a recipe for future success and there is an onus on all of us to ensure it is not commonplace for the Ireland of tomorrow

We recommend that there should be several pillars to a dynamic youth employment strategy such as;

1. **Labour Market Programmes:** During periods of high long term unemployment and even during periods of economic growth employment programmes keep people in touch with the

labour market. Given the extreme labour market situation we suggest allowing young people access all labour market programmes regardless of age subject only to interaction with appropriate employment services.

2. We believe the **Student Summer Jobs Scheme** which gave valuable labour market experience to young people and helps the voluntary and community sector should be revived
3. **Reverse the PLC places freeze**, this is a crucial move in the vocational space for those who cannot access third level.
4. **Maintain apprenticeship numbers** as was done with the ESB scheme, local authorities have also become involved here. There is a considerable infrastructure built up around apprenticeships which should not be lost.
5. **Foster and support young entrepreneurs**, we seldom hear about enterprise support for young people despite the fact that several major successful businesses have been created by young people such as Facebook and several technology related products
6. Establish a process to **commercialise young people's ideas** e.g. transition year & young scientist entries
7. Work with young people on new areas of **economic potential in music, arts and technology**
8. Capitalise elements of the **pension reserve fund** on a commercial basis to support job creation for young people – after all it's their future pension!
9. Ensure every young person has an offer of **work, education, training or quality work experience** to prevent the drift into a culture of long term unemployment
10. Develop **work placements and public works** for the most hard to reach
11. Increase places in **Youthreach** Centres to eliminate perceived waiting lists
12. Roll out **Job Fit nationwide** for over 18's, Junior Cert or lower level attained in school and on Live Register
13. Extend entitlement to young people over 18 and under 25 from the **asylum seeking community to vocational training**. If these young people acquire refugee status then they should have skills and training to compete in the jobs market.
14. Commit to a time-frame for **lowering class sizes** in primary and post primary schools

Local youth services have always played a role in assisting young people in their labour market needs through labour market training, CV preparation or work experience. These needs are obviously far greater now given the number of young unemployed. Being community based organisations local voluntary youth services can reach into communities and deal with young people that other players in this field often find "hard to reach"

A core objective of the new National Employment and Entitlements Service (NEES) is to integrate the provision of employment services and benefit payment services within the Department of Social Protection and in so doing to ensure that the payment of income supports to people who do not have a job is directly linked to task of supporting people in their pursuit of employment and related opportunities and improving their life chances.

Our One Stop projects will link with a key function of NEES relating to the development of Activation Capability. Our extensive network of youth information centres (20) and youth cafes (32) that have been supporting the information needs of young people for many years including those key areas of further education and training and employment opportunities can be a key gateway for these services to assist NEES with this Activation role.