

Budget 2010  
Proposals from Labour Youth  
*Tackling Youth Unemployment*



## Background

Currently Ireland has over 100,000 young people who cannot find work and who are not in full-time education. Within this, the rate is a shocking 36.4% of people aged 15-19, and 23% of those aged 20-24, who are in neither full-time education or employment (CSO Quarterly Household Survey of July 2009). These figures represent a tripling in youth unemployment since the current Government took power – contributing significantly to decreased tax revenue, decreased spending and an increase in demand for social welfare payments. The short-sightedness of the Government not to have a long-term vision for the future of young people is indicative of the recession that we are in.

### Education as a Stimulus:

Labour Youth believes that increasing educational investment at third level across Ireland is not only socially just but vital for stimulating the economy back to growth. The Irish economic boom of the 1990's was created by investing in a skilled workforce primarily and any future sustainable growth must be built on the same premise.

The United States investment of a \$100 billion stimulus package to protect and promote education across their nation was an investment in the future. Maintaining educational supports, teaching jobs, modernising facilities and sending students to third level institutes were recognised as integral to sustaining economic growth. Both Sweden and Finland, during their recessionary years respectively invested in education. The US, Sweden and Finland invested in a vision for the future; a future for the young generation, a future of equality and a better society. Long-term vision is a crucial determinant to ensure that our Celtic tiger has not emitted its last roar.

Ireland cannot cut its way out of this recession. Focusing available resources predominantly on the banking system is not sufficient action to secure long-term economic sustainability. Nurturing the 'Celtic cubs' as an educated, innovative and a skilled workforce, is a crucial determinant in re-capturing the elusive Celtic tiger. A reversal of education cutbacks is essential to this combined with increased investment in science, engineering and technology at both third and fourth levels of education.

In this Youth Unemployment policy document, Labour Youth outlines proposals to strategically address youth unemployment in Ireland under the following headings:

1. Part-time education
2. Work placement programme for graduates
3. HEA Schemes
4. Social aspects of unemployment
5. Social welfare payments

## Part-time Education

For the hundreds of thousands of Irish workers who are either unemployed, or facing the threat of unemployment, part-time courses offer a path to ensure future job security through up-skilling. However for many this is not an option because of the prohibitive fees attached, usually upwards of €3,000 per annum at a minimum. Labour Youth proposes to abolish these fees at the relatively small cost to the exchequer of €33 million (*2002 Report of the Taskforce on Lifelong Learning*). This equates to the economic cost of an additional 1,650 people on social welfare payments, but up-skills 5-6 times that number which could result in a net gain for the economy.

Labour Youth calls on the Government to:

- Expand free third level tuition fees scheme to include part-time courses.
- Provide funding for third level institutions to create part-time courses in targeted areas for future national development such as green energy.
- Increase capital expenditure in school building schemes to ensure they meet requirements in both capacity and quality for increasing numbers of students.

## Work Placement Programme for Graduates:

The introduction of the FAS Work Placement Scheme in April was a welcome step towards tackling the growing unemployment amongst graduates. However, the seriousness of the government to commit to the new provisions in the revised Work Placement Programme remains in doubt. At present, only 85 positions out of a potential 2,000 have been taken up, even though 1,941 individuals have applied to the programme. It is also clear that a number of positions provided by the scheme are inadequate to meet the growing number of graduates entering the labour market. The FAS work placement programme has allocated 1,000 places for graduates but it is estimated that a further 15,000-18,000 new graduates will be looking for work in the coming months.

Labour Youth calls on the government to show its commitment towards building a knowledge economy and to prevent a mass brain drain by:

- Introducing a graduate and apprentice placement scheme to give first time job seekers an opportunity to develop their skills and gain experience.
- Vastly expanding the number of positions available to recent graduates in the existing FAS scheme and prioritise filling available places as a matter of urgency.

## HEA Schemes

Under the HEA Labour Activation Scheme in September 2009, 1,000 part-time postgraduate places and 1,500 part-time undergraduate places were created and funded by the Government. To qualify people had to be unemployed for 6 months prior to the course. This is a welcome move but it is not a sufficient measure to have a significant impact. Currently, there is no work placement scheme incorporated into the HEA courses. This coupled with the (minimum) 6 months of unemployment prior to the courses makes it more difficult for participants to break the cycle of long-term unemployment.

Labour Youth calls on the Government to:

- Increase the number of, and capacity of HEA educational courses to upskill students in more sectors on a long-term basis.
- Incorporate a work placement scheme inclusive in the Labour Activation Scheme to facilitate graduates finding employment.
- Draw up a strategic unified policy on future HEA educational schemes.

## Social Aspects of Unemployment:

The figures of unemployment are distressing enough but the trauma of being unemployed is a harsher reality. Anxiety, depression, stress and low self esteem are just some of the social pressures that an unemployed person may have to contend with as a direct result of losing their job. There is a direct correlation increasing levels of substance abuse with increasing unemployment in comparison with the low figures while employed. Any increase in substance abuse on a large scale will have a knock-on increase in criminal activity, both by those supplying illegal substances, and those who use them.

A recent survey conducted by the NYCI found that 23% of young people 18-25 are either "concerned" or "very concerned" about their mental health and Ireland has the 5th highest rate of suicide in the EU. Irish males between 15 and 24 have more than four times the death rate by suicide than their counter parts in the UK.

The European Commission reports that EU wide, 45% of unemployment lasts for longer than 12 months. Investment in support services and schemes to get people back to work is essential to ensure that we minimise the effects that long-term unemployment could have on a substantial proportion of today's young generation.

Labour Youth calls on the Government for:

- The development and continuation of "Your Mental Health" campaign which commenced in November 2007.
- More counselling services and provisions for people who are affected by mental health for people unemployed.
- The staff embargo on the HSE to be lifted to provide free counselling services to those unemployed.

Social Welfare:

According to the Central Statistics Office (CSO), there were 95,745 under-25s of 440,056 unemployed people signing on for Social Welfare payments at the beginning of last September. These people are relying on Social Welfare Payments as their only source of income. Proposals to reduce this payment for those under 25, fail to acknowledge that the majority of these people are actively looking for new employment or further educational opportunities. Finding work is extremely difficult in the recession and the people on the lowest income bracket should not be forced to pay for the economic mismanagement of the Government. People under 25 years relying on social welfare as their only pay cheque struggle to make ends meet with food, clothing and household bills and additional costs incurred for actively seeking work.

Furthermore, the Back to Education Allowance for third level education is only available to those who have been unemployed for 12 months, which in reality can mean a wait of up to two years depending on course start dates. In an extended downturn, it is nonsensical for people to remain on social welfare when they could be pursuing means to make themselves more employable.

Labour Youth calls on the Government to:

- Maintain and increase social welfare payments to those under the age of 25 at risk of poverty.
- Reduce the Back to Education, and the Back to Work Enterprise Allowances qualifying period to 3 months from 12 months and 24 months respectively.