



NYCI Pre-Budget Submission 2014

Beyond Austerity

July 2013

Social and Economic Context

In May 2013 the National Economic and Social Council report¹ stated that “young people are hardest hit by the crisis.” Since 2008, children and young people in Ireland have endured increasing levels of poverty and social exclusion with youth unemployment remaining consistently high. Ireland also has the largest number of young people under 18 in the EU15 at a high risk of poverty and has the 4th highest percentage in the EU (18.4%) of young people aged 15 to 24 years not in education, employment or training.² Despite this, funding for youth work services supported by the Department of Children and Youth Affairs, have been cut by almost 30% over the last five years from €73.1m³ to €51.4m⁴. In framing the budget the Government have to take into account of the disproportionate impact of austerity on young people and the services that support them to date.

Youth work services are active in every community in Ireland and reach almost 383,000 young people, in particular young people from the most disadvantaged communities in Ireland. The Indecon Report⁵ found that for every €1 invested in youth work the economic benefit/costs saved by the State in the long run are €2.20. Youth Services have taken a disproportionate cut since the onset of the crisis and within the funding allocation in the Department of Children and Youth Affairs. In the 2013, Budget the cut to youth services represented 33% of the total cuts, despite the fact that the youth services budget only represents 14% of the Departmental budget. The Comprehensive Review of Expenditure⁶ in 2011 targets youth services for another €3m in 2014. This is unacceptable and will be opposed by NYCI and the youth sector.

The Impact

NYCI acknowledges the serious situation which has arisen in relation to the deficit in the public exchequer and is primarily concerned about the **implications such economic recession will have on young people, youth work funding and services**. Many of these youth work services are well placed to support the most vulnerable young people throughout the recession. If the services in the non-formal education sector are undermined or diminished through cutbacks, we are likely to further marginalise young people who are already removed from education and the labour market.

¹ The Social Implications of the Crisis: the Evidence and the Implications, NESC May 2013

² Dashboard of EU Youth Indicators, Eurostat

³ Department of Children and Youth Affairs submission to Comprehensive Spending Review, November 2011

⁴ Public Expenditure Report 2013, Department of Public Expenditure and Reform, December 2012

⁵ Assessment of the Economic Value of Youth Work by Indecon Economic Consultants, November 2012

⁶ Comprehensive Review of Expenditure, Report of the Department of Children and Youth Affairs, November 2011

The decline in public finances has deteriorated rapidly and substantially over the last 4 years. At the forefront of our minds is the importance of preserving necessary social services and supports for all children and young people especially those living in low income households or who are most vulnerable to poverty and social exclusion. We acknowledge the need to make adjustments to public spending and to broaden the tax base to redress the current exchequer deficit, however, **children and young people should not be disproportionately affected by the cuts**. NYCI has consistently advocated that children and young people should be protected from the financial cuts in the exchequer as far as possible. If the Government cuts budget lines affecting children and young people, the consequences will be devastating for children and young people now and in the future. We believe that the Government must move beyond an austerity agenda and focus more on investment and supports for children and young people to assist them through this crisis.

Generating Revenue-Social Responsibility Levy

In terms of generating revenue, section 4 of the submission outlines an income generating proposal. We propose the introduction of a social responsibility levy on the manufacturers of drinks products as recommended by the National Substance Misuse Strategy steering group⁷ in February 2012. We estimate that a 1% levy on the turnover of drinks manufactures could generate in the region of €25m.

This policy measure, if implemented, would serve two purposes. It would ensure the manufacturers of alcohol product, who gain significantly from alcohol sales, make a greater contribution to reduce alcohol misuse. Furthermore it would help to support measures and actions to prevent and reduce alcohol related harm amongst young people. This funding could also be used to replace sponsorship of sporting and cultural events by the drinks industry.

⁷ Steering Group Report on a National Substance Misuse Strategy, Department of Health, February 2012

Summary of Recommendations

In this submission, NYCI outlines what we believe to be priorities for Government action and spending:

1. Defending Youth Work Services

- Proposed Government cuts to youth work services of €3m in 2014 to be cancelled.

2. Provide supports for most disadvantaged young jobseekers

- Develop a strand within the Youth Guarantee scheme to support young people with limited qualifications who are long term unemployed.

3. Reducing Child Poverty

- No further cuts to Child Benefit for those currently in receipt of social welfare payments.
- Provide enhanced services for children that will make a meaningful impact on the costs of raising children and will help to achieve better child welfare outcomes.

4. Tackling Alcohol Related Harm

- Introduce a 1% social responsibility levy on drinks manufacturers to generate €25m to replace the sponsorship of large sporting and cultural events by the drinks industry and to support initiatives by the youth sector to reduce alcohol related harm among young people.

5. Emigration

- Allocate an additional €1 million to provide pre-departure supports for prospective emigrants.

Subject	1. YOUTH WORK FUNDING
Proposal	➤ Proposed Government cuts to youth work services of €3m in 2014 must not be implemented.
Rationale	<p>Youth organisations in Ireland are uniquely placed to assist children and young people through the current recession and challenging social environment. They are active in almost every community and it is estimated that they reach over 383,000 young people. They are particularly active in supporting young people from economically or socially disadvantaged communities, with 53% of all participants coming from these areas. The track record and credibility of the youth sector is also demonstrated by the high levels of participation by young people here in youth services. Ireland has the highest level of involvement in youth services in the EU with 26% of young people active in a youth club.⁸</p> <p>Children and young people in Ireland have endured increasing levels of poverty, social exclusion and unemployment as a result of the economic downturn. The National Economic and Social Council noted in May 2013 that “<i>young people are hit hardest by the crisis</i>”.⁹ Ireland has the highest number of young people under 18 in the EU15 at a high risk of poverty and has the 4th highest percentage in the EU27 (18.4%) of young people aged 15 to 24 years not in education, employment or training. Youth unemployment remains high and long term youth unemployment is growing particularly among young people with limited qualifications and long term youth unemployment is growing.</p> <p>In 2012 a report by Indecon Economic Consultants commissioned by NYCI demonstrated that investment in youth work also makes sound economic sense. The report indicated that for every €1 invested in youth work the economic benefit/costs saved by the State are €2.20 in the long run¹⁰. This study demonstrates that investment in youth work not only supports young people to reach their full potential and become active citizens, it also reduces long terms costs for the state in relation to the health, justice and welfare services for young people. The funding provided also provides support to the 40,000 volunteers who work with young people.</p> <p>Current expenditure for youth work services have already been cut by almost 30% since 2008 from €73.1m to €51.4m. Any further cuts will greatly reduce the capacity of organisations to meet the increasing needs of young people. Not only would further cuts be socially unjust, they would be equally economically unsound given the economic return identified by the Indecon report. We call on the Government to maintain the existing funding levels in 2014.</p>
Cost	€3m Cuts proposed for 2014 to be cancelled
Responsibility	Department for Children and Youth Affairs

⁸ (European Commission 2011, “Youth on the Move” - Analytical Report of Flash Eurobarometer Number 319a).

⁹ The Social Implications of the Crisis: the Evidence and the Implications, NESC May 2013

¹⁰ Assessment of the Economic Value of Youth Work by Indecon Economic Consultants, November 2012

Subject	2. YOUTH UNEMPLOYMENT
Proposal	➤ Develop a strand within the Youth Guarantee scheme to support young people with limited qualifications who are long term unemployed.
Rationale	<p>Young people have been hit hard by the economic downturn, particularly with regard to employment. While the numbers of young people on the live register has come down from 94,550 in August 2010¹¹ to 64,960¹² in April 2013, the number of young people long term unemployed has grown. The number of young jobseekers on the live register for 12 months or more increased from 39% of the total number in January 2011¹³ to 49% in October 2012.¹⁴ The percentage of young people in Ireland in the “NEET” category (young people not in education, employment and training) is 18.4%; this is the 4th highest in the EU.</p> <p>We support the introduction of a Youth Guarantee¹⁵ in Ireland which provides quality opportunities for young people who are unemployed. We welcome the decision of the Irish Government to make the Youth Guarantee a priority of the Irish Presidency. The decision last month of the EU Council of Employment and Social Affairs Ministers to formally adopt a recommendation on the Youth Guarantee is another important step forward. This recommendation in particular notes the need for “<i>outreach strategies towards young people, especially the most vulnerable ones</i>” and acknowledges the role of the youth sector. This recommendation follows the allocation of €6bn in the multi-annual financial framework for 2014-2020 towards the “Youth Employment Initiative” fund.</p> <p>The Eurofound¹⁶ research reveals that the Youth Guarantee in Sweden and Finland has been more successful with those who are ‘job ready.’ Evaluation has shown that it was less effective with the hard to reach, more socially excluded individuals. They argue that if a youth guarantee is to work with the most vulnerable jobseekers “<i>it needs to be based on a strong collaborative approach with a range of stakeholders involved in providing services to youth</i>” This demonstrates the need for a specific programme within the Youth Guarantee for young people who are NEETs.</p> <p>We propose the development of a strand with the Youth Guarantee led by the Department of Children and Youth Affairs and NYCI, and delivered in partnership with the youth sector to engage with and support the progression of young people aged 18-24 who are in the NEET category.</p>
Cost	€20m (Costing does not factor in savings from reductions in numbers on live register)
Responsibility	Department of Social Protection

¹¹ CSO Live Register monthly figures

http://www.cso.ie/en/media/csoie/releasespublications/documents/labourmarket/2010/lreg_aug2010.pdf September 2010

¹² CSO Live Register monthly figures <http://www.cso.ie/en/releasesandpublications/labourmarket/archive/>

¹³ Dáil Questions 374-377 January 25th 2011

¹⁴ Dáil Questions 289-290 December 4th 2012

¹⁵ NYCI Youth Guarantee Factsheet

¹⁶ Youth Guarantee, Experiences from Sweden and Finland, Eurofound.

Subject	3. REDUCING CHILD POVERTY
Proposal	<ul style="list-style-type: none"> ➤ No further cuts to Child Benefit for those currently in receipt of social welfare payments. ➤ Provide enhanced services for children that will make a meaningful impact on the costs of raising children and will help to achieve better child welfare outcomes.
Rationale	<p>Child poverty has a fundamental influence on a child's life chances. For example, poor children are more likely to have a low birth weight, leave school early and start smoking and drinking at a young age. The longer a child is poor, the greater the impact on the life chances of the child and subsequent deprivation in later life.</p> <p>Child Benefit, basic weekly social welfare payments, including increases for children, and Family Income Supplement are vital lifelines without which many families could not survive. Far too many children live in low income households and are vulnerable to intergenerational poverty and social exclusion which leaves deep and lasting scars.</p> <p>Cuts to child income supports have already yielded very significant savings. Since Budget 2009, over €450 million has been cut from social welfare payments for children. Many of the families hardest hit by these cuts have also suffered other reductions in income, through cuts in adult rates of social welfare payments, as well as pay cuts, loss of working hours, and tax increases. NYCI believes that the primary aim of reform to child income supports must be that of ending child poverty. We oppose any further cuts in child income supports to generate savings to the exchequer in future budgets where low income households are not protected.</p> <p>NYCI supports reform of child income supports which would tackle child poverty; however, we are deeply concerned about aspects of the reform proposed by the Advisory Group on Tax and Social Welfare. Much greater attention needs to be given to how changes to child income supports would affect vulnerable families already struggling to make ends meet.</p>
Cost	No costings available
Responsibility	Department of Social Protection

Subject	4. REDUCING ALCOHOL RELATED HARM
Proposal	<p>➤ Introduce a social responsibility levy on drinks manufacturers to generate €25m to replace the sponsorship of large sporting and cultural events by the drinks industry and to support other initiatives to reduce alcohol related harm among young people.</p>
Rationale	<p>Ireland has one of the highest levels of alcohol consumption and binge drinking among young people in Europe. The 2011 ESPAD Report¹⁷ of 15 and 16 year olds across 36 European countries, found that in the 30 days prior to the survey;</p> <ul style="list-style-type: none"> • 52% girls and 48% of boys had drunk alcohol • 40% had 5+ drinks on a single drinking occasion • 23% had one of more episode of drunkenness <p>There is no safe level of alcohol consumption for young people under 18. Those who begin to drink before the age of 15 are four times more likely to develop alcohol dependence at some time in their lives, compared to those who have their first drink at 20 or older (National Substance Misuse Strategy, 2012: 67). There has also been a considerable increase in alcoholic liver disease¹⁸ (ALD) among younger age groups. Among 15 to 34-years-olds, the rate of ALD discharges increased by 275% between 1995 and 2009, while for the 35 to 49 age group the rate increased by 227%.</p> <p>In its report, the National Substance Misuse Strategy Steering Group (NSMSSG) estimated (on 2007 figures) that alcohol misuse costs the healthcare and justice system almost €2.4bn. While noting the contribution of the drinks industry to general taxation the report proposed the introduction of a social responsibility levy on the sector. The drinks industry generates considerable profits from alcohol sales yet contributes little directly to addressing the costs incurred by the state as a result of alcohol related harm. NYCI supports the recommendation of the NSMSSG to phase out sponsorship of large sporting and cultural activities by the drinks industry by 2016. The drinks industry uses this sponsorship to market alcohol products to young people and evidence shows that this causes young people to start drinking earlier and more frequently and to engage in heavier drinking episodes. There is also strong public support for such a measure with a Red C poll for NYCI finding that 63% of the population support our view that the alcohol industry should contribute financially to the cost incurred by the state as a result of alcohol consumption.</p> <p>A 2008 Drinks Industry Group Ireland report found that the annual turnover of the drinks industry manufacturers in 2006 was €2.9bn. While allowing for some downturn in revenues since 2006 and estimating the current turnover at €2.5bn, a 1% social responsibility levy would generate €25m. The chief concern of the sporting and cultural bodies with regard to losing sponsorship of this nature is reduced funding for their activities. NYCI proposes that some of the revenue from the levy be used to replace of the sponsorship of large sporting and cultural events by the drinks industry and support other initiatives by the youth sector to prevent and reduce alcohol related harm among young people.</p>
Revenue raised for the Exchequer	1% levy on turnover €25m
Responsibility	Department of Finance

¹⁷ http://www.espad.org/Uploads/ESPAD_reports/2011/The_2011_ESPAD_Report_FULL_2012_10_29.pdf

¹⁸ <http://alcalc.oxfordjournals.org/content/early/2011/04/15/alcalc.agr036.full>

Subject	5. EMIGRATION
Proposal	➤ Allocate an additional €1 million to provide pre-departure supports for prospective emigrants.
Rationale	<p>For many young Irish people, emigration is the only viable option open to them at the present time. Emigration is once again a prevailing part of Irish life.</p> <p>The figures speak for themselves:</p> <ul style="list-style-type: none"> ➤ Over the last 4 years, 308,000 people have left Ireland (CSO, 2012). ➤ Over the past 2 years over a quarter of our population has been affected by the emigration of a close family member (NYCI Poll conducted by Red C, October 2012). ➤ One in two of our 18 – 24 years olds would consider emigrating themselves (NYCI Poll conducted by Red C, October 2012). <p>We need to acknowledge that emigration is a daily reality for many young people. We need political direction and a new policy response to emigration which meets the needs of young people currently facing the prospect of emigration.</p> <p>As NYCI's research <i>Time to Go?</i>, reveals it is important that emigrants considering emigration are aware of what to expect before leaving Ireland and are informed and prepared.</p> <p>It is vital to build on existing supports and provide assistance to prospective young emigrants <i>before</i> they leave Ireland. Such support would help those considering emigration as an option, to be informed, prepared and aware of any potential problems they may encounter in their host country in advance of their departure from Ireland.</p> <p>To adequately address and meet the needs of young Irish people currently facing the prospect of emigration, we are calling on Government to invest a further €1 million to provide pre-departure supports.</p>
Cost	€1million
Responsibility	Department of Foreign Affairs and Trade, Department of Social Protection