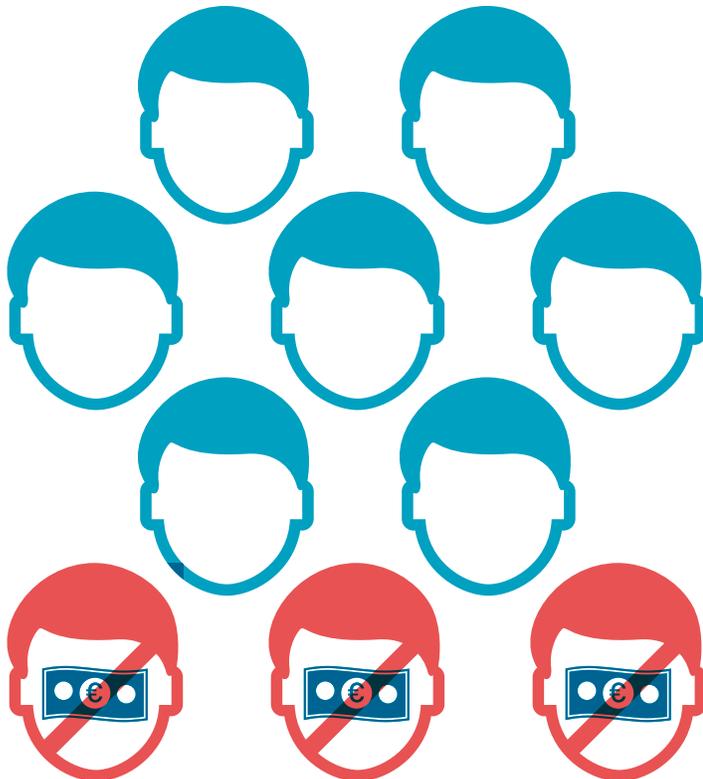


YOUTH GUARANTEE

National Youth Council of Ireland



29.7% youth unemployment Quarter 4 2012



30,815 young people under 25 on live register for 12 months or more

What is the Youth Guarantee?

The youth guarantee would offer a young person aged 18 to 24 a job, work experience, apprenticeship, training or combined work and training within a defined period of time after leaving school or becoming unemployed. It is recommended by the European Commission that the youth guarantee should be offered to young people within 4 months of becoming unemployed.

Why is it needed?

The unemployment rate amongst young people in Ireland currently is 29.7%¹ and 30,815² young people are long term unemployed (12 months or more). Ireland also has the 4th highest rate of young people "not in education, employment or training" in the EU at 18.4%. The impact of unemployment on young people and the social and economic cost associated with youth unemployment are of significant concern and require immediate action.

Has it been tried elsewhere?

Yes, a youth guarantee scheme has been in operation in a number of European countries namely Sweden, Finland and Austria for a number of years.

Does it work?

The evaluations of the youth guarantee scheme in Finland indicate that it has reduced youth unemployment and inactivity. It is estimated in Sweden that 46% of participants have benefited from participation in a youth guarantee scheme. The Swedish and Finnish schemes were found to be more effective for young people who were new to the labour market than those who were long-term unemployed. This is something that would have to be addressed when the scheme is implemented in Ireland.

Can it work in Ireland?

Yes, but only if a number of conditions are satisfied. Firstly it needs to be properly resourced to ensure we have sufficient high quality education, training and job experience places and the staff to provide intensive job counseling and guidance. Secondly the Government will have to provide job subsidies and incentives to employers to take on young people who have participated in the scheme. Thirdly we need additional measures to support young people who are long-term unemployed to avoid the weaknesses identified in the scheme in Finland and Sweden.

How much will it cost?

It is difficult to estimate the cost of introducing youth guarantee scheme in Ireland. The International Labour Organisation estimates that the youth guarantee in Sweden costs approximately €6,600³ per participant. Recent figures show that there are 41,453 young people under 25 years of age on the Live Register for 6 months or more⁴. On the basis of the Swedish figures, we estimate it would cost €273m to implement in Ireland. It is more likely, however, that the scheme would be phased in over a number of years and in that case the annual cost would be a lower than this.

What are the costs of doing nothing?

The costs of doing nothing are very significant. The negative social impact of unemployment on the wellbeing of young people, their families and communities is incalculable. Furthermore a recent study by Eurofound revealed that the economic loss to society of not integrating young jobseekers throughout the EU is estimated at €153billion⁵. The report also estimated that the economic cost to countries like Ireland is likely to be in the region of 2% of GDP which indicates that the cost of youth unemployment is €3.16 billion.

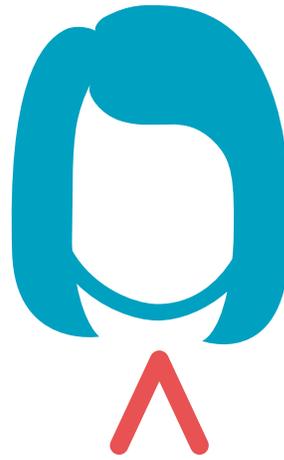
So where will the money come from?

There is strong support for dedicating a significant proportion of the next round of EU Social Funds to tackle youth unemployment and to support the implementation of initiatives such as the youth guarantee. The European Social Funds are significant. The last round from 2007-2013 amounted to €76bn. It is possible that Ireland would have to provide matching funding to draw down funding to implement the youth guarantee. We also need to factor in the costs saved in terms of jobseeker payments and other benefits by getting young people into employment and off welfare.

Who supports the proposal?

There is growing support for the proposal since NYCII first proposed a "youth guarantee" in our position paper "Creating a Future for Young Jobseekers"⁶ in March 2011. The Irish Government has indicated strong support for the proposal and has made it a key priority for the Irish EU Presidency. The European Youth Forum has campaigned for its implementation at European level and both the European Commission and European Parliament have issued proposals supporting its implementation.

- http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-08012013-BP/EN/3-08012013-BP-EN.PDF
- Parliamentary Questions 289 & 290 Dáil Éireann 4th December 2012
- Eurozone Job Crisis, Trends and Policy Responses, International Labour Organisation July 2012
- Parliamentary Questions 289 & 290 Dáil Éireann 4th December 2012
- Estimated cost is based on two types of costs – the missing contribution of NEETs (unpaid tax and social contributions) and the excess in welfare transfers that NEETs are more likely to receive.
- http://www.youth.ie/sites/youth.ie/files/Creating-a-future-for-Young-jobseekers-web-version_0.pdf



In Sweden the cost of youth guarantee is less than €6,600 per participant



The cost of youth unemployment is €3.16 billion.

The National Youth Council of Ireland is the representative body for national voluntary youth work organisations in Ireland. It represents and supports the interests of voluntary youth organisations and uses its collective experience to act on issues that impact on young people.

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