



## **Presentation to the Joint Oireachtas Committee on Jobs, Social Protection and Education on Unemployment and Youth**

**Wednesday April 25<sup>th</sup> 2012**

Mr. Chairman, Deputies and Senators on behalf the NYCI we welcome the opportunity to speak to you today concerning the very important issue of unemployment and youth unemployment.

I will speak a little about the context we are in and our priorities and then my colleague Marie-Claire McAleer will address the fundamental problems encountered by many young jobseeker presently and the need to respond to these issues immediately

Firstly to introduce the National Youth Council of Ireland, we are the representative body for 50 national voluntary youth organisations who work with and for children and young people in every community, village, town and city in Ireland. Our vision is one where all young people are empowered to develop the skills and confidence to fully participate as active citizens in an inclusive society. NYCI functions to represent the interests of young people and youth organisations. NYCI's role is recognised in legislation (Youth Work Act) and we were designated as a social partner organization in 1986.

Unemployment is our greatest economic and social challenge which requires the mobilization of all. Those of us working with young people and in the youth sector had assumed up to 3 or 4 years ago that the days of high youth unemployment and emigration were a thing of the past. It goes without saying that the ultimate goal and best solution for young jobseekers is the creation of employment and the provision of decent work opportunities. However to achieve this and create the conditions for economic growth and

employment we need to get the domestic economy going again. We know the Government is taking action across in a number of areas, but there is no magic wand and it will take time. Therefore unfortunately with high youth unemployment being a reality for the foreseeable future it is vital from our perspective that we discuss the policy options and ensure the best use of scarce resources for jobseekers, taxpayers and indeed to aid the recovery when it comes.

There are many issues we could discuss but given the time we want to focus today primarily on the services and supports such as employment counseling, the provision of education, training and upskilling and work experience and internship opportunities which are vital to supporting young people through this recession. While the labour market is very tough at the moment, jobs do become available and therefore it is vital that we provide young jobseekers with the supports to get a job and that the public employment services are fulfilling that for purpose. It is also important that we keep young jobseekers close to the labour market because we know from the 1980s and 1990s that allowing jobseekers to drift into long term unemployment is a recipe for disaster.

I am sure that the members of the committee are well aware that the current recession has impacted heavily on young people over the last 4 years.

- The latest live register figures tell us that there are almost 73,000 young people signing on, with one 1 in 3 young men under 25 unemployed.
- There has also been a rise in long term unemployment with the numbers of young people under 25 unemployed for 2 years or more has risen from 11,885 in January 2011 to 16,411 late last year.
- One of the more startling figures which I came across recently was contained in a NESCC report on supports and services for jobseekers stated that there were over 250,000 young people in employment in Q1 2008, but by Q4 2010 this had shrunk to 127,400.
- There has also been a significant increase in emigration from 76,000 in the year to April 2011 compared with 45,000 at the start of the recession in 2008. The CSO states that 33,000 of these were aged between 15-24 with 34,000 in the 25-44 year old age group.

- It is important to note however that it recession has not only caused unemployment but also rise in precarious work, temporary jobs, zero hour contracts and basically very little security or continuity for many young people. We know for example that many of those emigrating do have jobs, but many of these are low paid and/or of a temporary nature.

In light of these stark statistics the public employment services have a very important role to play in supporting young jobseekers. Young jobseekers coming out of education and training in particular need intense employment advice, support and guidance as they lack the work experience and contacts of other workers. Young jobseekers need to be supported to remain close to the labour market because despite the tough conditions vacancies and opportunities can and arise.

### **Consultation with Young Jobseekers**

In 2010, NYCI consulted widely with young jobseekers and conducted qualitative research on the experience of young jobseekers and their interaction and engagement with key State support services.

The research provides a very sobering and stark picture of what it means to be a young unemployed person living in Ireland at the present time. It documents extraordinary accounts of the resilience, determination and ambition many of these young people exhibit as they persist in the effort to find work.

A key message coming from the research is that not all the experiences encountered by the young people were negative – there were some very positive stories and evidence of good practice happening throughout the country. However, for the most part there are inconsistencies in terms of the quality, efficiency and effectiveness of both the public employment service and education and training provision afforded to young unemployed people living in Ireland.

There are many notable findings in the report that have helped to greatly inform our position paper on youth unemployment. I will briefly hone in some of the key issues that emerged in the research.

## Key research findings

1. There were many examples of good support and excellent service but overall significant levels of dissatisfaction. Only 32% expressed levels of satisfaction with service.
2. Decision making is slow. There is often a poor level of guidance, lack of appropriate opportunities, not enough time dedicated to the client, lack of privacy, and lack of empathy exercised by staff. Many young jobseekers stated that they had to repeat the same information over and over again, and that there is little co-ordination between agencies etc.
3. Research participants, in the main, described their experience of unemployment as one which is accompanied by a number of negative feelings such as low self esteem and low morale, feelings of hopelessness, despair and lack of choice, and in some cases admissions of instances of depression and stress.
4. Participants acknowledged that staff are often under huge pressure due to staff shortages and lack of capacity to meet the demand. Many young people who never engaged with state services before found the system perplexing and felt demoralized by the experience.
5. Job seeking is a tough and demanding task. Many start out with great hope and expectation but after a few months become demoralized. Many also felt they lacked the skills and know how to be successful in securing employment.
6. The study highlighted the financial hardship many endure. This resulted in having to borrow from parents for basic necessities such as money to photocopy CVs, money for the bus to attend interviews etc., Many felt embarrassed and humiliated by experience.
7. 65% strongly agreed that being unemployed had a negative effect on their well being-and caused tensions with family, friends, and partners.

These findings are very worrying because they demonstrate that the services which should be in place to assist young jobseekers through the recession are for the most part not in place.

## **NEES**

NYCI welcomes the establishment of the National Employment and Entitlements Service and the publication of the “Pathways to Work” strategy. We are heartened by the publication of a very detailed project plan for the new agency which in our view is a clear sign that lessons from previous experiences have been learned. We acknowledge that the proposed plans and strategies take on board a number of the recommendations made in our report “*Creating a New Future for Jobseekers*” published last year.

The establishment of one stop shops where jobseekers can get both employment/further education support and also check welfare eligibility is long overdue. We cannot emphasize enough, however, the need for greater urgency in rolling out these reforms. Young jobseekers cannot wait for another 2-3 years for these changes to be implemented

## **SOLAS**

We acknowledge the reforms taking place in the area of further education and training for jobseekers and the establishment of SOLAS.

The current nature and range of provision, is disjointed and hard to navigate for jobseekers. It is vital that we reshape the provision to make it learner centred and coherent. We acknowledge that many jobseekers do receive good quality training and education, however too often we get feedback from young jobseekers about the lack of education and training places or that the training provided was neither useful nor appropriate. Furthermore jobseekers are at risk of losing welfare if they do not accept a reasonable offer of education or training many accept places on courses to retain their payments even if they feel the course will be of little use to them.

NYCI believes that SOLAS should:

- Provide jobseekers with a suite of education and training options ranging from basic supports such literacy and numeracy options to advanced training in areas such as IT where vacancies exist.
- Undertake an impact assessment and evaluation of all courses. Significant resources are being spent. It is vital that they are making a real difference in supporting jobseekers and improving employability.
- Work more closely with employers at a local and regional level to ensure that potential and future employment opportunities are being supported by education/training.
- Introduce a “reasons why” document setting out the rationale for particular proposals to job seekers.
- Examine initiatives in other jurisdictions such as the Individual Reintegration Agreements in the Netherlands where the jobseeker has an input into the decision making and is allocated a budget and co-manages their education and training resources.

### **Importance of internships**

One of the biggest issues raised by young jobseekers with us during our consultations was the lack of work experience. Many felt, (even those with significant qualifications) that without adequate and appropriate work experience, that they were at a disadvantage in job hunting. Internships/work experience schemes and programmes are important in improving employability and in encouraging employers to take on staff for 3 reasons;

- Internships give participants the opportunity to get their first leg on the employment ladder and gain experience which many are currently denied due to the recession.
- Internships not only open up prospects of employment with the host company but also bring participants into contact with others companies/employers who may have job openings which is important in light of the fact that many vacancies are not openly advertised.

- Internships promote employment because while many employers are cautious about taking on new staff during a recession, they are more likely to do so if they have a good experience with an intern working in their company/business.

As of today over 6,400 jobseekers have started an internship on the JobBridge scheme. As the scheme only commenced last summer and is of 6-9 months duration it is only in recent weeks that an assessment of the outcomes of the first group of participants can be undertaken. We would be hopeful that a significant percentage of those who undertook internships will have gained employment in their host company or in another company on completing the internship.

We know that there were issues with the scheme in the early months, these related primarily to businesses not understanding the concept of an internship and in some cases employers seeking to take advantage and exploit the scheme. At the time we called for 3 measures to be taken;

- Greater scrutiny of internship opportunities proposed by employers
- Greater monitoring of the scheme
- An evaluation of the scheme once sufficient numbers have participated.

We welcome the fact that all three proposals have been taken on board. There is now greater scrutiny of all intern applications which are submitted. We welcome the fact that there is also a whistleblower phone line which applicants/interns and members of the public can call to raise concerns about particular intern positions being advertised. The DSP have also stepped up the number of monitoring visits they are conducting and finally the Minister has announced that an evaluation of the JobBridge scheme will be commence shortly. It is vital that we continue to review and monitor the scheme to ensure it meets the needs of participants and that they are not exploited. In an ideal world where employment was plentiful such a scheme would be unnecessary, however if it assists jobseekers into work who otherwise would remain on the dole or be forced to emigrate then it has our support. If the evaluation of the JobBridge scheme is successful we believe it should be expanded but we believe employers should be required to contribute to the scheme with the proceeds being used to increase the weekly payments to interns on the scheme.

## Youth Guarantee

I know the committee has discussed the idea of a Youth Guarantee at its recent meetings. We believe the proposal has merit and advocated the adoption of such a scheme in our position paper last year. A number of European countries have initiated these schemes to support young people and to counter the threat of long term unemployment. The schemes differ in nature but the fundamental idea is that if a young person fails to find appropriate education, training or employment and is unemployed for 6 months or more that local authorities and/or not for profit organisations are funded by the state to act as employers of last resort. Such schemes would be of particular importance for young people with no or limited qualifications who are most at risk of falling through the cracks. At the end of last year there were over 16,000 young people who were unemployed for 12 months or more, a youth guarantee would offer them some hope and a route out of unemployment. We understand that the welfare and employment systems here are different to other countries and therefore it is not possible to transplant such a scheme directly and that is why we called last year on the Government to commission a feasibility study on a Youth Guarantee scheme in Ireland and we reiterate that call again today.

In conclusion unemployment is our greatest economic/social ill which impacts not only on the individual but their families, communities and our society as a whole. We shouldn't repeat the mistakes of 80s and early 1990s where 1,000s of people drifted into long term unemployment. Our work and the evidence on the ground indicates that the vast majority of young jobseekers want to work, start a career and contribute to society. It is vital that we create jobs and create the conditions for employment. But equally in light of scarce resources it is crucial that the public employment services are fit for purpose and are supporting employability and employment. That can only be achieved with an effective and co-ordinated public employment service that responds to the needs to jobseekers and that is in a position to provide timely advice and guidance, appropriate training and education places and work experience opportunities which will help achieve that.

Thank you.