

NATIONAL PLAN FOR TACKLING YOUTH UNEMPLOYMENT



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CONTENTS:

Introduction	2
Providing a coherent national response	9
Job Bridge Reform	11
Sector Specific Initiatives	13
State Agencies & Government Departments	16
Reducing the number of young people not in education, employment or training	17
Financial incentives to Business	19
Stimulus measures	20
Helping young people set up in business	21
Valuing Education & preventing Early School Leaving	22
Reform of Employment, training and welfare services	24
Opportunities for young people in agriculture	27

INTRODUCTION:

The unemployment crisis has hit young people hardest. With over 1 in 4 young people unemployed, the scale of the problem is being masked by the increasing numbers of people emigrating and the significant numbers of young people entering or staying in education.

In the UK, where 1 in 5 young people are currently unemployed, it is being talked about as being at crisis levels. Here in Ireland, there is absolutely no action plan on how to seriously tackle our youth unemployment crisis. We need to debate and prioritise this issue.

Of the three key jobs plans published in the past year, the *Jobs Initiative* in May 2011, *the Action Plan on Jobs* published in February 2012 and *Pathways to Work* in February 2012, there wasn't a single measure introduced in any of these policy documents specifically targeting young people.

The Government needs to urgently design and implement a coherent national plan to tackle the youth unemployment crisis, otherwise thousands more young people will continue to emigrate while those that remain behind will end up long term unemployed and dependent on welfare.

Our young people want to work and all they need is to be given the chance to do so. We don't agree with the Government's approach to date which is to simply threaten young people with cuts to their benefits for refusing to take up work or training. This displays a fundamental misunderstanding of young people and their desire to work.

Young people need to see that there is a plan in place to help them and that there is a future for them here in Ireland. It is time that all political parties face up to this crisis.

We believe there are a number of changes and policy reforms that must be implemented in order to bring a greater focus and effectiveness to tackling youth unemployment.

We bring forward these proposals in the spirit of constructive opposition to tackle this growing crisis. We believe that the proposals put forward can be funded through the reprioritisation of existing resources within the education and training budgets and through savings achieved as a result of reduced unemployment.

Key measures proposed by Fianna Fáil:

- **Up-skill 100,000 job seekers with ICT skills over the next four years.**
- **Establish an internship programme providing 1,000 internships in the Irish Financial Services Centre.**
- **Ensure state supported banks invest in our young people and put in place an internship programme for third level graduates. This programme would be funded by the banks rather than the State.**
- **Provide greater opportunities for young people in the agri-food industry ahead of the abolition of milk quotas in 2015.**
- **Reform, strengthen and expand the Job Bridge Programme with 5,000 additional places specifically targeting those aged under 25.**
- **Abolish Employer PRSI for staff earning up to €356 per week for new employees between the age of 17 and 24 for a period of two years.**
- **Reverse the decision to cut up to 700 career and guidance counsellors from secondary schools as part of budget 2012.**
- **Ensure Government Departments and State agencies play a much greater role in tackling youth unemployment and that no retired public servant is rehired ahead of someone suitably qualified on the live register.**
- **Reform our education, welfare and employments services and introduce education and training vouchers on a pilot basis, similar to the US and German model.**
- **Immediately cut courses in education and training that are no longer relevant to labour market needs and transfer those resources into areas of need.**
- **Extend the scope of apprenticeships to a much wider range of occupations.**
- **Require all young people who are not in education, employment or training 6 months after qualifying for jobseekers allowance to participate in a strengthened CE Scheme as opposed to cutting their benefits further.**
- **Provide the new network of Local Enterprise Offices, which are to replace County and City Enterprise Boards, with additional funding specifically for entrepreneurs under 25 years of age.**

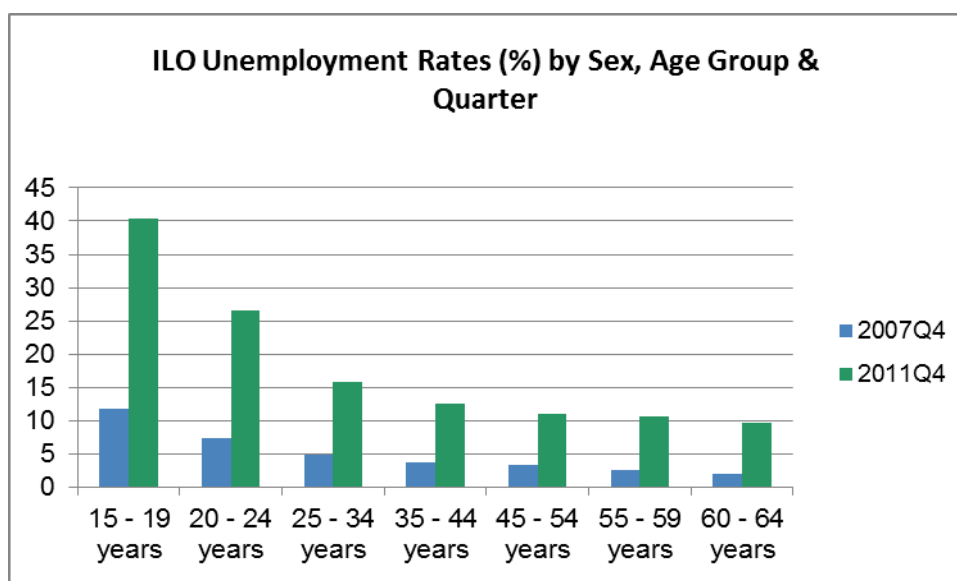
Fianna Fáil's objectives are:

- To ensure there is a national action plan in place to tackle youth unemployment.
- To reduce the numbers of young people on the live register and to reduce the numbers emigrating.
- To ensure that work placement programmes are expanded, are working effectively and offer young people real and valuable work experience in areas where there are skills shortages.
- To retain as many young people as possible in our education system.
- To ensure young people's skill sets are in line with the needs of the economy.
- To provide alternative career options or reskilling opportunities for those young people who have low educational attainment or come from disadvantaged backgrounds.
- To bring about dramatic reform of our education, welfare and employments services .
- To provide incentives to business to take on the young unemployed.

The scale of the problem

According to the Quarterly National Household Survey (QNHS) at the end of 2011, the total unemployment rate for young people is 26.5% between the ages of 20-24 and 40.3% for those aged between 15-19.

The unemployment rate among young people is significantly higher than all other age groups, with the 20-24 age group currently double the standardised unemployment rate of 14.3% (CSO Live Register figures March 2012).

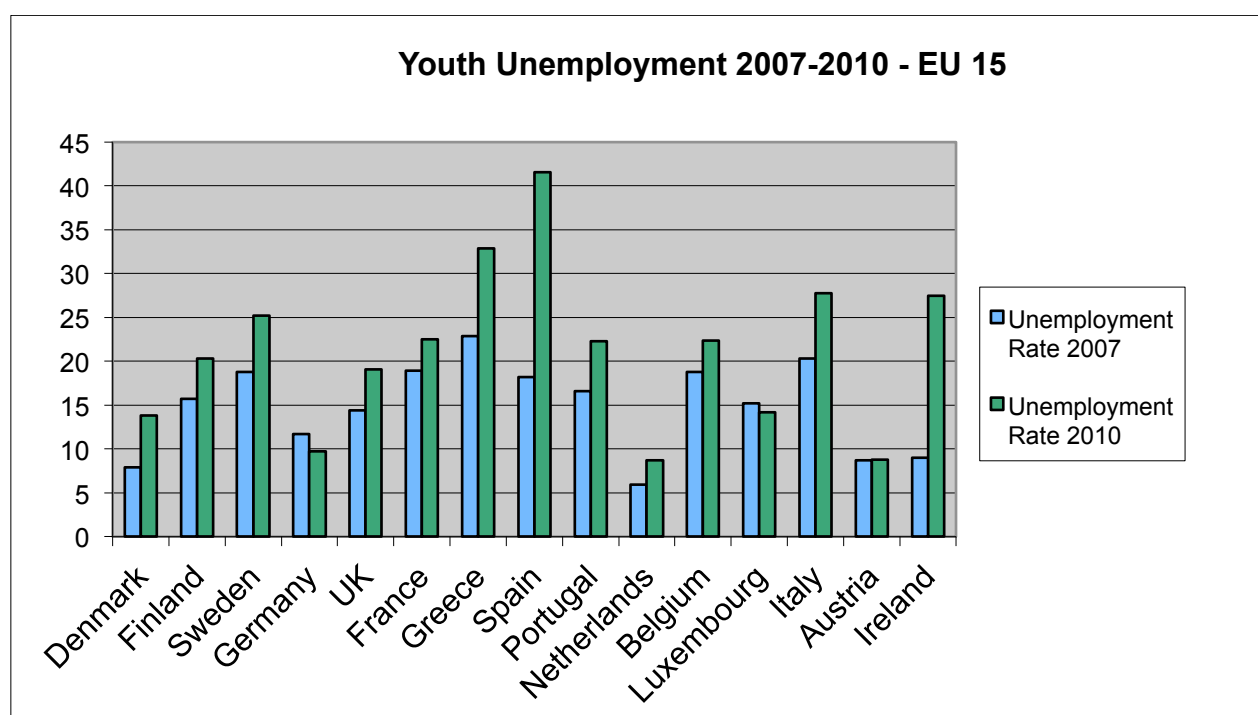


It showed there was an annual reduction of 15,400 (-0.8%) in employment, and from an age perspective the fall in employment was concentrated in the 25-34 (-18,100 or -3.4%) and 20-24 (-

11,600 or -9.1%) age groups. The greatest participation rate decreases were recorded for the 20-24 and 45-54 age groups.

Of the 182,000 people who are long term unemployed, 30,000 of these are aged between 15-24. Another 28,500 people in this age category are unemployed less than a year; this cohort could very soon become long term unemployed unless serious actions are taken. While there needs to be greater and more frequent analysis of emigration figures by the CSO, it is clear that the figures outlined above would be significantly higher were it not for such high levels of emigration¹.

According to the International Labour Organisation in its October 2011 report *Global Employment Trends for Youth*, only Spain and Greece are worse than Ireland for youth unemployment. The ILO points out that the scale of the unemployment increase among young people in Ireland understates the extent of the problem as many young people are “hiding out” in the education system. The ILO believes that the “actual” youth unemployment rate in Ireland could be as much as 19.3 percentage points higher than the official rate.”²



Source: ILO Key indicators of the Labour Market, 7th Edition (Geneva, 2011)

The impact of unemployment on young people

Work plays a huge part in our lives. It has a significant impact on a person’s general wellbeing. A period of unemployment at any age can have a devastating impact but at a later stage in life people have had greater opportunity to develop the skills needed to cope better with the situation. For younger people who are unemployed finding work is harder as they have no experience and it can be bewildering. Unsure of how to cope it can cause other problems like depression.

¹ <http://www.cso.ie/en/qnhs/releasesandpublications/qnhs-calendarquarters/>

² http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_elm/---trends/documents/publication/wcms_165455.pdf

The consequences of youth unemployment need to be looked at in the broadest possible sense. Firstly and most significantly there is the impact on the individual themselves. These range from future employability to pay levels, health consequences and general social mobility. Negative consequences once established are often difficult to reverse.

There is also an impact on society in general in terms of social cohesion, the output of the economy and the public finances.

According to various academic studies young people who experience a prolonged period of unemployment are more likely:

- ***To be unemployed and welfare dependent later in life;***

Research conducted in the UK by the University of Bristol suggests that an individual unemployed for a year between the ages of 16 and 24 is likely to spend just under 9% less time in work between the ages of 26 and 29 than they would have done otherwise. It is likely that a similar pattern exists in Ireland.

- ***To be paid less in later life;***

According to international research people unemployed at a young age are likely to be paid less later on in life controlling for factors such as educational attainment and personal characteristics compared to those who were not unemployed at a young age. The impact is magnified for those who are out of work for a prolonged period.

- ***Experience negative mental and physical health effects;***

A range of academic studies have found that unemployment increases susceptibility to illness including both physical ailments and loss of self-esteem leading to depression. It has been noted that unemployment increases the probability of poor physical health outcomes such as heart attacks later in life.

- ***Experience reduced social mobility.***

Fostering social mobility should be a key aim for government. The constraints that unemployment places on young people at a time when they should have the greatest opportunity to broaden their horizons can severely limit their social mobility.

The impact of youth unemployment on society

- Youth unemployment has a direct negative effect on the economy as well as society.
- The total social protection bill for youth unemployment at its current levels is over €1bn including secondary benefits.
- The total cost of youth unemployment in terms of taxes foregone (income tax, PRSI and USC) is likely to be over €500 million.
- The total cost to the economy of youth unemployment in terms of lost output is likely to be upwards of €4 billion.

Emigration as a consequence of youth unemployment

Emigration among Irish nationals continued to rise sharply to 40,200 in the year prior to April 2011 (CSO), nearly 13,000 more than in the same period in 2010. 36,200 non-nationals also left the country during the same period. Ireland's emigration rate is the highest in the European Union, almost double that of the country with the second highest – Lithuania (Eurostat, 2010).

While there are always factors other than employment prospects that influence a person's decision to emigrate, the lack of jobs is clearly one of the major reasons for the rapid increase in numbers leaving the country. It is generally recognised that short-term emigration can benefit both the sending and receiving economies. However there is a significant difference with emigration in the 1980s as there are now a large number of skilled workers leaving the country.

As well as the social upheaval emigration causes within families, the loss of so many skilled workers has long term consequences for the long term productive capacity of the economy and the dependency ratio. Social Justice Ireland have correctly noted that “The emigration ‘brain drain’ which in some quarters is being heralded perversely as a ‘safety valve’ is in fact a serious problem for Ireland and may well lead to a skills deficit in the long-term.” The may have serious negative implications in the coming years for attracting foreign direct investment to Ireland.

The cost of this plan

As outlined, the total social protection bill for youth unemployment at its current levels is over €1bn (including secondary benefits), the total cost of youth unemployment in terms of taxes foregone is likely to be over €500 million and the total cost to the economy in terms of lost output is likely to be €4 billion.

While the majority of the measures outlined in this document will be afforded through the reprioritisation of existing education and training budgets, some specific expenditure will be required. But these must be seen in the context of the already significant cost to the State of youth unemployment and the social dividend that will come from tackling this crisis.

Making a significant dent in the number of young people out of work will result in a virtuous cycle of greater output and tax revenue as well as a lower social protection costs and less demands on public services.

Fianna Fáil believes that by focusing spending on high quality, relevant courses which have a proven track record of placing people in employment and cutting courses that are no longer relevant to labour market needs, funding can be freed up to introduce the measures put forward in this document.

We believe the explicit costs in this document are modest and realistic but a necessary initial investment. However, the long term gains to the exchequer will be met through reduced social protection payments and increased tax receipts as young people return to employment over the coming years. We estimate that an initial investment of €52 million is needed for implementing the following series of measures:

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- 5,000 extra places on JobBridge - €13m
 - Abolition of Employer PRSI for 17 to 24 year olds - €15m
 - Expansion of the CE Scheme for those aged under 25 - €3million
 - Establishing a website for young unemployed people - €500,000
 - Increased funds for the Summit Finuas Network - €1million
 - Website for internship opportunities in the public sector - €500,000
 - Subsidies to companies for taking on redundant apprentices - €6million
 - Increased funding for the new Network of Local Enterprise offices - €3m
 - 500 additional places on Youthreach - €10m

PROVIDING A COHERENT NATIONAL RESPONSE

The European Commission as part of the Europe 2020 Strategy for Growth has called for all member states to draw up a national plan to combat youth joblessness.

The Government says that there are two major elements to its response to unemployment generally – *the Action Plan for Jobs 2012* and *Pathways to Work*.

While *the Action Plan on Jobs 2012* contains 270 recommendations, only **one of these actions** specifically deals with the issue of youth unemployment.

It simply says that it will review the structures and funding of youth work and support services to ensure that they support the development of the skills needed by enterprises. This is despite the fact that **youth services were recently cut in budget 2012**.

There is not a single mention of youth unemployment in the entire *Pathways to Work* Document. Although many of the reform measures outlined in *Pathways to Work* will benefit young unemployed persons, the scale of the problem needs more targeted action and sustained focus.

Proposals for a “one stop shop” in the form of a National Employment and Entitlements Service will allow deeper and more regular engagement between employment services and unemployed persons through regular one to one meetings, the provision of supports such as job search assistance and career guidance and an overall improved service provision will undoubtedly benefit young people engaging with these services.

When in opposition, Fine Gael talked at some length about reducing the number of young people on the live register by one third.

This aim of our plan is to provide real and credible policy initiatives that will significantly reduce the number of young people emigrating, give young people the sense that something is being done to help them stay in Ireland and gain valuable employment or training and that for those that do leave Ireland that they are leaving by choice and with a quality education and improved chances of ending up in gainful employment.

A number of measures could be taken immediately to give a more focused policy approach at a national level.

Fianna Fáil is proposing:

- The Government must immediately establish a cross party Taskforce on Youth Unemployment involving all stakeholders including representatives from industry and the voluntary sector, provide the Group with a three month time frame in which to report and produce a National Plan to combat youth joblessness.
- Ensure that the measures are youth specific, action orientated and clear.
- Allocate a present Government Minister responsibility for tackling youth unemployment, with a particular section within the Department of Jobs, Enterprise and Innovation devoted to implementing the National Plan to Combat Youth Joblessness.

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- The Government must make every effort at an EU level to ensure significant funds are put aside in the post 2014 EU budget for addressing youth unemployment.
 - The Central Statistics Office (CSO) must produce more accurate, detailed and regular figures for emigration and the profile of emigrants.
 - The CSO live register monthly figures must also include data on the number of people who are long term unemployed broken down by age.
 - Establish a website specifically targeting young unemployed people that can offer virtual career guidance and counselling for young people in Ireland but it could also serve as a valuable information point for young people who have emigrated and who may be considering returning home.
 - Government needs to listen to industry and provide increasing support for proven and successful industry led initiatives in the ICT sector, such as Fast-track to IT (FIT).
 - The Government should pilot training and education vouchers for young unemployed people. We believe a voucher scheme would act as a strong incentive for young people to take increased ownership of their education and training path and maximise the return on their time invested.

JOBBRIDGE REFORM

In December 2010, the former Minister for Education and Skills Mary Coughlan TD announced 5,000 places on an enterprise led Skills Development and Internship Programme.

The present Government renamed this JobBridge, the National Internship Scheme which came into operation on 1st July 2011. Over 5,600 internships have commenced to date, 4,170 internships are currently in place and over 2,100 opportunities are currently advertised on *www.jobbridge.ie*. The response to JobBridge has been hugely positive from both employers and in terms of the take up of places.

However, it is critical that participants are engaging in real and valuable work experience, that employers are abiding by the criteria set out for the scheme and that those aged under 25 are in fact benefitting from the scheme.

The rationale behind this scheme is to give people without any work experience the chance to gain some experience. However with this scheme open to people of all ages there are concerns that it favours those who already have considerable work experience.

At present, monitoring of the scheme appears to be weak and open to abuse. For example, host organisations must complete a monthly compliance form but there is no similar form required from the intern.

Also, the Department of Social Protection says that it intends to conduct monitoring of 5% of active internships. This would indicate that at present very few unannounced inspections are taking place almost a year after it has been in operation.

The Department of Social Protection recently conducted a tendering process for a company to conduct and evaluate JobBridge. This Project will assess the design, delivery and impact of the JobBridge Scheme on the unemployed. The Minister has said that the evaluation review will be completed by the first quarter of 2013.

Fianna Fáil fully supports the concept of JobBridge but is aware that there are some teething problems with the scheme. The Government must bring forward the evaluation, implement the necessary reforms, strengthen the scheme further and expand the number of places targeting young people aged between 19 to 25 years of age.

Fianna Fáil is proposing:

- The evaluation of the scheme must be completed by the end of 2012.
- The evaluation must look at not only the socio economic profile of participants, but it must also look at the age profile, previous work experience and educational attainment of participants. This will ensure that companies are not using this scheme as a way of employing experienced people at no cost.
- The evaluation must also look at the number of young people maintained in employment, the number who found other paid employment following completion of the internship and the time it took to find employment.

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- Following completion of the evaluation, we believe the compliance process must be strengthened to include a monthly report completed by all interns in addition to the employer's monthly compliance report. Both of these should be completed and submitted online.
 - We would also suggest that the Government increases the number of unannounced inspections and ensures that a minimum of 5% of internships are subject to unannounced inspections.
 - We believe that following a successful evaluation and the introduction of strengthened monitoring and compliance requirements, that the number of places on the programme be doubled.
 - We believe there should be an additional 5,000 places specifically targeting those aged less than 25 years of age. The view that Job Bridge needs to be expanded with greater urgency is supported by the National Economic and Social Council¹.
 - Employers are benefitting greatly through this programme and in return employers must do more to ensure interns gain real and valuable skills. For example, employers must guarantee an interview at the end of each placement and provide a certain level of training throughout the placement.
 - The Government must also make greater efforts to ensure that all state agencies and Government departments play their role in taking on interns under the job bridge programme.
 - The National Entitlements and Employment Service (NEES) must also put in place an exit plan for those who finish the Job Bridge programme.
 - Financial penalties should be introduced or consideration given to suspending from the programme employers who are found to have displaced jobs through the scheme.

SECTOR SPECIFIC INITIATIVES

The ICT Sector

In January this year the Minister for Education and Skills and the Minister for Jobs, Enterprise and Innovation launched what they called the Joint Government - Industry *ICT Action Plan: Meeting the High Level ICT Skills Needs of Enterprise in Ireland*.

The Action Plan sets out how Ireland is going to build the supply and quality of high level ICT graduates in the medium to long term. It establishes a target of doubling the annual output of ICT graduates from 1,000 this year to 2,000 by 2018³.

Fianna Fáil believes that the plan is unambitious in terms of its plan to double the number of high level ICT graduates. It also fails to acknowledge the significant number of job opportunities at all levels within the ICT sector, not just at the higher level.

The Government's plan for addressing ICT skills needs is a wasted opportunity to help thousands of young people find employment over the next four years.

As of December 2011, there were approximately 1,800 vacancies in the ICT sector. Of the 4,000 IT jobs announced during 2011, 1,000 jobs were filled by workers recruited from abroad because the necessary skills weren't available here in Ireland.

In a recent interview with Louise Phelan, Head of PayPal in Ireland, she pointed out that half of the 1,600 PayPal workforce in Ireland are made up of people recruited from abroad because the "skillset" simply isn't available here in Ireland.

With demand for IT skills far exceeding supply, industry is crying out for young people with ICT skills capable of filling a wide range of positions, from customer care positions, to technical support to computer programmers.

Recent job announcements from PayPal, Accenture, MasterCard and Twitter are welcome but they are further compounding the skills shortage problem.

Urgent action needs to be taken to ensure that young people are reskilling in the area of ICT so that they can avail of these job opportunities that are available now or coming down the line.

There is a significant shortage of IT skills right across the world; the problem is not just confined to Ireland. This provides Ireland with a real opportunity to gain a competitive edge in this sector.

The Government needs to listen to industry and provide increasing support for proven and successful industry led initiatives in the ICT sector, such as Fast-track to IT (FIT).

To date, Government departments and education and training agencies have proven too slow at responding to the skills needs of industry. What we need now is industry led action within education and training.

³ http://www.education.ie/servlet/blobServlet/pub_higher_ed_ict_action_plan_2012.pdf

FIT believe that they can support the activation, engagement and progression of 100,000 job seekers over the next 4 years. Not only will they up skill and increase employability but they will also place 25,000 job seekers into employment during this four year period⁴.

Over the past 12 years, they have facilitated the training of 11,000 marginalised job seekers and have helped 8,500 secure employment. Currently, there are 2,500 job seekers participating in FIT programmes, 40% of which were under 30 years of age last year.

The EU Commission cited FIT as one of the most effective employability initiatives in Europe.

Fianna Fáil is proposing:

- Greater engagement between Government, business and FÁS (soon to be SOLAS) in the provision of education and training into the future.
- Get business, Government and academia to come together to drive the ICT agenda, identify the current number of positions that need to be filled, the types of positions that need to be filled, the types of and number of courses that need to be made available and produce a plan within the next three months to ensure the supply of ICT skills meets the demand for such skills or the next 4 years.
- Government must make every effort to create an awareness of the IT crisis and ensure state agencies identify as many smart young people as possible (motivated, smart, IT users & analytical capabilities) through the use of aptitude tests specifically to identify an aptitude for IT.
- Ensure funds are prioritised for FIT and any other such industry led initiatives with a proven track record of helping young marginalised workers successfully gain employment.
- Provide immediate Government support to FIT so that 100,000 young jobseekers can progress into the IT sector over the next four years.
- Reprioritise education and training budgets towards such courses and cut other courses which are no longer relevant.
- Ensure that SOLAS adopts the FIT model and the FIT curricula for all IT courses over the next four years.
- The courses must be high quality and intensive courses lasting up to 6 month as is currently the case with FIT.
- Such courses need to be made available on a large scale, with the right content, include the provision of important 'soft skills' for young people and a significant number of courses delivered online.

⁴ <http://debates.oireachtas.ie/FAJ/2011/11/16/00004.asp>

Internships in the Financial Services Sector

At present, there are 33,000 people working in the Irish Financial Services Centre in over 500 companies including half of the world's top 50 banks and to half of the top 20 insurance companies.

It is estimated that 10,000 net new jobs will be created in the Irish Financial Services Centre over the next five years (year one almost completed), 2,500 of these jobs will be in the so called Green IFSC.

Almost all new recruits in the sector over the next few years will be at graduate and more often than not postgraduate level.

With significant demand for graduates and significant potential for employment, we believe the State should support a paid internship programme specifically for the financial services sector.

An internship programme in the IFSC would offer a range of opportunities for financial, business, legal and accounting graduates.

Alongside this, we believe state supported banks should play a role in providing third level graduates with valuable work experience.

The Government must ensure that our education system produces graduates with the right skills mix for this sector and that an ever increasing number of school leavers and graduates achieve a high standard in maths.

Fianna Fáil is proposing:

- Establish an internship programme similar to JobBridge but focused on providing 1,000 internships solely in the IFSC. Graduates would receive their job seekers benefit along with an additional €100 weekly payment from participating companies.
- The internship programme would be time limited, approximately 6-9 months, and there would be clear criteria about the kind of work and training that interns would engage in and also to ensure that it does not displace any jobs in the sector.
- Double the amount of money available to the Summit Finuas Network, which provides enterprise led education training programmes within the IFSC. At present, the Finuas Network receives approximately €1million from the State each year.
- We believe these extra funds must be used to significantly expand the number of free places for young unemployed graduates and young people on the live register who are interested in pursuing a career in the IFSC.
- Ensure that each state supported bank invests in our young people and puts in place an internship programme for third level graduates. This programme would be funded by the banks rather than the State.

STATE AGENCIES & GOVERNMENT DEPARTMENTS

It is inconceivable that at a time when tens of thousands of young graduates are languishing on the live register that Government Departments are rehiring significant numbers of retired public servants on generous short term contracts. The Government is rehiring retired nurses and teachers and civil servants ahead of young qualified unemployed graduates.

A number of state agencies offer their own internship programmes separate to the JobBridge Programme. Enterprise Ireland, Bord Gais, the Higher Education Authority and Eirgrid all offer a number of paid work experience places for graduates and undergraduates. Unfortunately, these internship programmes are hugely inconsistent across our public service, as is the take up of interns under the JobBridge programme.

At present, there is no information available within each Government Department as to the number of internships currently being offered by each state agency under its remit. The level of information available and access to intern programmes must be urgently improved.

There are state agencies operating in education, health, food safety and public enterprise, this provides huge opportunities for young people. These agencies must play a role immediately in tackling youth unemployment by offering valuable work experience.

In addition, the Government could ensure that all state agencies and public bodies play their role in tackling youth unemployment by linking public procurement contracts to the provision of good quality internships or the hiring of redundant apprentices where possible.

Fianna Fáil is proposing:

- The Government must ensure that every position available in a Government Department is advertised in order to ensure that no retired public servant is rehired ahead of someone suitably qualified on the live register.
- The Government must ensure that each Government Department shows that it has made every effort to find a suitably qualified young graduate before hiring a retired public servant.
- The Government must ensure that every state agency puts in place an internship programme for undergraduates and graduates relative to the size of their organisation.
- All agencies and bodies within the public service competing for state contracts should have a minimum number of internships or apprenticeships in place and that extra credit be given to those bodies that show real and sustained efforts to take on young people.
- The Government should establish a “one stop shop” website for internship opportunities across Government departments, state bodies and semi-state agencies.

REDUCING THE NUMBER OF YOUNG PEOPLE WHO ARE NOT IN EMPLOYMENT, EDUCATION OR TRAINING

The most at risk group requiring urgent intervention are those not in employment, education or training, commonly referred to as NEETs. This is the group that are most detached from the labour market and who we should be most concerned about.

As of 30th of March 2012, there were 62,717 people aged up to and including 24 years of age on the live register who were not engaged in employment, education or training.

According to a recent submission to the Oireachtas Joint Committee on Jobs, Social Protection and Education from the Irish Congress of Trade Unions, the number of young people in this category has risen from 11% to 18% in the last two years⁵.

Ireland has moved from being at or about the European average in this category to being among the worst in the EU. In fact, we have the highest rate of increase in any member state. Young men are disproportionately represented among those NEETs.

Rather than threatening these young people with cuts to their social protection payments, we believe that these young people can play a positive role and contribute to society in return for the support they receive from the State.

In Northern Ireland, the main back to work programme called 'Steps to Work' and which targets the 'hardest to help', this programme ensures that this category of young people receive the help they need before they slip into long term benefit dependency.

After 6 months of a claim to Job Seekers Allowance, all young people aged 18 to 24 must participate in the programme. We believe a similar programme could be adopted in relation to the Community Employment Scheme.

Fianna Fáil believes that a number of flexible pathways need to be provided to those not in education, employment or training.

There are currently 4,704 redundant apprentices registered with FÁS, 2,183 of which have not yet reached the minimum qualifying standard in off-the-job training. Fianna Fáil believes these people should be allowed to finish their apprenticeships or given the option of entering a new form of multi-skill apprenticeship.

Fianna Fáil is proposing:

- Reduce the qualifying age for community employment schemes from 25 to 18.
- CE schemes should be strengthened and expanded further so that a greater number of those aged under 25 can take part in CE Schemes.

⁵ <http://debates.oireachtas.ie/FAJ/2012/04/19/00003.asp>

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- If a young person is not in education, employment or training six months after qualifying for job seekers allowance, those aged 18 to 24 will be required to take part in a CE Scheme.
 - Ensure that there are a sufficient number of apprenticeships on offer and extend the scope of apprenticeships to a much wider range of occupations as has been successfully done under the dual system in Germany.
 - Provide subsidies to companies to take on redundant apprentices.
 - Minimise early school leaving by retaining young people in education and in training.
 - Ensure that all young people who leave school early are provided with an alternative pathway to education that allows them achieve a minimum educational qualification.

FINANCIAL INCENTIVES TO BUSINESSES

According to the World Bank 2006, youth specific wage subsidies “if well targeted and of limited duration, have been found to have a beneficial effect on employment.”

In recognition of the need to take urgent action to tackle youth unemployment, Fianna Fáil believes consideration should be given to the abolition of Employer PRSI for staff earning up to €356 per week for new employees between the age of 17 and 24 for a period of two years.

This is in addition to the reduction in employers’ PRSI already implemented as part of the *Jobs Initiative* announced in May 2011.

This will have the effect of reducing the cost of employing somebody working at the minimum wage by €15 per week.

It would save an employer at the minimum €15 a week in terms of taking on an eligible person. Fianna Fáil believes it would be self-financing as it would reduce the social protection costs and might actually result in a net saving.

STIMULUS MEASURES

As outlined in the Fianna Fáil Pre-Budget Submission 2012, we are proposing an investment stimulus of at least €5.6 billion over four years.

The Government's pension fund levy should be phased out and replaced with a mandatory investment by private pension funds of 4% over four years (average 1% per annum) in the Strategic Investment Fund announced by Government in September 2011.

This would be an investment of €700 million per annum and would be supplemented with an equivalent annual investment from the NPRF.

This would offer a long term cash flow benefit to private pension funds while stimulating economic activity and developing the infrastructure capacity of the State. The Strategic Investment Fund should also be open to regular savers in a manner similar to the National Solidarity Bond.

While this measure would have huge benefits for the wider economy, the people who would most benefit from such a stimulus are young unemployed males most affected by the collapse in the construction industry.

HELPING YOUNG PEOPLE SET UP IN BUSINESS

As part of *the Action Plan on Jobs* announced in February 2012, the Government announced the abolition of the 35 city and county enterprise boards (CEBs).

The Government is proposing that all 35 city and county enterprise boards be abolished and instead set up a new network of Local Enterprise Offices in each Local Authority

Fianna Fáil does not agree with the Government's approach. We believe there is still a strong need for CEBs.

In its pre-budget submission, Fianna Fáil said that it would like to see significant enhancement of supports for small businesses including a doubling of the budget for County and City Enterprise Boards.

CEBs have proven to be effective in job creation, they have a strong knowledge of the local economy and one of the benefits until now has been that they were independent of the local authorities.

Fianna Fáil is proposing:

- The new network of Local Enterprise Offices should be given a role in helping young entrepreneurs. We suggest that they help young people aged under 25 who are furthest away from the labour market in setting up their own business
- The Government must ensure that funding is increased for the new network of Local Enterprise Offices
- Ensure that a portion of this additional funding is assigned to entrepreneurs under the age of 25.
- The Government should introduce a voluntary PRSI scheme for the self-employed so that they can access social welfare payments.

VALUING EDUCATION & PREVENTING EARLY SCHOOL LEAVING

An important aspect to tackling youth unemployment is keeping young people in school and ensuring as many young people as possible achieve a high level of education. Research has shown that educational qualifications have a strong impact on employment prospects and living standards.

We must acknowledge the huge success of our education system in recent decades. At second level we now have a high level of school completion and at third level we have moved from a small and exclusive sector to having one of the world's highest levels of qualifications. By any measure, the scale and pace of increased participation in education in this country has been dramatic.

While there have been significant improvements in education participation rates at third level and retention rate at second level, there continues to be a significant number of people that continue to leave school early.

Every year, around 9,000 young people leave school before taking the Leaving Certificate⁶. At present, there are 18,000 young people between the ages of 15-19 unemployed with young males particularly over represented in this group.

We believe that the most appropriate way to tackle early school leaving is to improve the educational experiences of young people while at school rather than forcing young people to stay in school. This could be done through encouraging more positive relations with teachers and more engaging teaching methods.

Research carried out by the ESRI shows that requiring some young people to complete transition year can in some cases actually contribute to early school leaving⁷.

We accept that not all young people are suited to the school environment and may be more suited to programmes such as Youthreach which takes place in FÁS Community Training Centres rather than in a school environment.

All young people who leave school early must be given to chance to pursue alternative education pathways.

We must also ensure that all our young teachers are valued, well qualified and well-motivated. In international terms we have a relatively highly qualified teaching force. That's a great base for our system and one we should work to protect.

⁶ http://www.esri.ie/news_events/latest_press_releases/no_way_back_the_dynamics_/index.xml

⁷ <http://www.esri.ie/UserFiles/publications/BKMNEXT163.pdf>

Fianna Fáil is proposing:

- Ensure there are no further increases in the pupil teacher ratio in order to protect educational standards and to ensure young teachers gain employment.
- Maintain investment in Project Maths and the professional development of maths teachers.
- Ensure continuous and regular monitoring of retention rates by the Department of Education.
- Educational disadvantage interventions must be protected in future education budgets such as the DEIS programme, the school completion programme, Leaving Cert Applied programme and Youthreach.
- Implement the ESRI's recommendations regarding ability grouping, otherwise known as streaming, which allocates students to classes according to their academic ability. The ESRI recommends a shift away from streaming towards mixed ability classes and more flexible forms of ability grouping.
- Encourage schools to adopt a positive behaviour policy rather than punitive approaches. This could become a focus of continuous teacher education.
- Reverse the decision in Budget 2012 to cut up to 700 guidance counsellors from our schools and ensure that students have access to these services at an earlier stage in their schooling.
- Ensure all early school leavers are provided with an alternative pathway to completing their education without having to return to the school environment. At present, this could be done through the provision of an additional 500 places on the Youthreach Programme.

REFORM OF EMPLOYMENT, TRAINING AND WELFARE SERVICES

Fianna Fáil welcomes the setting up of the new National Employment and Entitlements Service which will act as a “one stop shop” for information on welfare entitlements, career advice and further education and training options. This service will be complemented by the new education and training authority SOLAS which will oversee the provision of education and training places.

While the Government’s *Pathways To Work* document focuses on the importance of labour activation measures and a more individualised service that involves a new system of ‘profiling’ and more regular and consistent contact, policy should also focus on the accessibility and quality of job placement, guidance and counselling services and the relevance and quality of training and education programmes. The provision of high quality ‘soft’ skills such as guidance and counselling services are particularly important for young unemployed people.

According to a report published by the National Economic and Social Council in August 2011⁸ which looked at supports and services for jobseekers, the report expressed concerns around the quality and relevance of some of the additional education and training courses that have come on stream in recent years. While this is not specific to young people, it highlights the need for a root and branch review of course provision.

The new education and training authority must ensure that its budget is spent in the most efficient way and must involve listening to industry, introducing new curricula responding to skills shortages in the labour market, ensuring high quality courses and cutting courses that are no longer relevant.

Education and training budgets need to be re-prioritised to focus on the provision of courses that meet the needs of the labour market as identified by the Expert Group on Future Skills needs and also by industry.

The problem for young people at present is not getting a place on a course; the problem is getting a place on a course of choice, a course that is relevant and without having to wait months to apply.

Fianna Fáil is proposing:

- An immediate root and branch review of all education and training places on offer, prioritising investment in those courses most in demand by employers and the labour market.
- Increase the effectiveness and speed with which education and training state agencies respond to labour market needs by ensuring that industry are formally involved in course design.
- Courses that are most in demand by the labour market must be provided on a rolling basis so that applicants don’t have to wait significant periods to gain entry to such courses.

⁸ <http://www.nesc.ie/en/news-events/news/latest-news/nesc-report-123/>

- The NEES and SOLAS must engage with employers at a local level from the point of view of jobs vacancies and addressing the immediate skills needs in the local economy.
- Education providers must be required to provide a combination of formal education, workplace training and some element of mentoring.
- Ensure that there are a sufficient number of apprenticeships on offer and extend the scope of apprenticeships to a much wider range of occupations as has been successfully done under the dual system in Germany
- There needs to be greater flexibility in the processing of welfare applications allowing people to go on and off welfare while working part time or for short term work.
- Welfare Recipients who refuse to engage in education and training must show continuous and substantial efforts to gain employment. NEES should look at setting a minimum number of job applications that a person must make on a monthly basis.
- There needs to be a real investment in high quality job placement and career guidance services under the new NEES. This is particularly important for young unemployed people.
- The Government should consider removing the moratorium on staff hired in the new NEES to ensure the hiring of fully qualified career and guidance counsellors.
- Utilise the private sector to provide these services through incentivising recruitment agencies to offer career guidance and job placement services for young unemployed workers.
- End users must be provided with oversight of the new SOLAS and NEES. Fianna Fáil favour setting up of a National Client Council as suggested by the National Economic and Social Council in its report on Supports and Services for Jobseekers in August 2011⁸.
- The national client council would channel the experiences and views of unemployed people using employment services to policy makers. This was done in the Netherlands and has played a role in improved participation, greater outcomes and reintegration policies for unemployed jobseekers.

⁸ <http://www.nesc.ie/en/news-events/news/latest-news/nesc-report-123/>

Pilot Scheme: Training and Education Vouchers

- The Government should give consideration to piloting training and education vouchers for young unemployed people
- Unemployed people may often experience frustration in navigating their way through all of the training courses that are offered by state agencies.
- While these are designed in response to overall economic needs they may too often represent a “one size fits all” approach to meeting the needs of the unemployed person.
- Courses offered by the private sector range from practical short term training to preparation for vocational or professional qualifications. These can often be more adaptive to the needs of the marketplace.
- We believe a voucher scheme would act as a strong incentive for young people to take increased ownership of their education and training path.
- Vouchers empower and motivate jobseekers; to allow them to express their preferences and maximise the return on their time invested.
- A number of countries have used education vouchers as a means of assisting unemployed people access the training they need. In the U.S., legislation requires local workforce agencies to use Individual Training Accounts (ITA) to provide training for unemployed persons.
- In Germany, training vouchers were introduced as part of the Hartz Reforms in 2003. By providing a young unemployed person with a voucher they can use to purchase approved educational and training facilities, a greater degree of choice and flexibility can be achieved.
- It is important to acknowledge that potential information will have to be available to jobseekers with “a one stop shop approach” as they will not always know what training is best for them, what qualifications are needed on the labour market and which providers offer high quality training.
- In addition regulating the supply side by certifying the quality of the providers is important to prevent low quality training.

OPPORTUNITIES FOR YOUNG PEOPLE IN AGRICULTURE

Attracting new entrants into the sector in order to stimulate innovation and drive on growth will be critical in securing the ambitious agenda of Food Harvest 2020 and fully utilising agriculture in tackling youth unemployment. Food Harvest 2020, which was produced by Fianna Fáil in Government, sets out a series of sweeping ambitions for the agriculture sector.

Fianna Fáil welcomes the current Minister for Agriculture's adoption of the Food Harvest 2020 document as the blueprint for the industry over the next eight years. Achieving Food Harvest 2020 targets will require an innovative, committed workforce that has immense potential to revitalise the agricultural industry with fresh blood.

Fianna Fáil is proposing:

CAP Post 2013

- The CAP budget should be protected in the Multi-annual Financial Framework 2014 - 2020 to ensure that benefits to young farmers are fully realised. 2% of the national envelope should be fully used to encourage young farmers with a targeted supported package.

Dairy Quotas Post 2015

- The abolition of Quotas post 2015 will open up significant opportunities for expansion in the dairy sector. It is important that new entrants and young farmers are in a position to benefit from this and sustain future growth.
- Cooperatives to provide 'license' of 300,000 litres per new trained entrant under 35 years of age, as an encouragement to start, at no cost. Cooperatives should set a target for the number of new entrants, with a transparent and equitable mechanism to select eligible new entrants, required annually to sustain and grow the supplier base.
- New entrants should be facilitated over time to reach the minimum shareholding requirements in accordance with their co-op rules
- Partners, under 35 years of age, as new entrants to dairying, should be entitled to a license for 300,000 litres from the provision for new entrants.
- New entrants and recent small scale producers with less than 300,000 litres must be given priority to the additional milk sought.

Third Level Grants

- Attracting well educated farmers who have the potential to innovate and introduce best practice will fuel growth in the agriculture. A fair grant assessment scheme for third level is essential in this regard. The current model of means testing designed and operated by Teagasc for farmers to apply for grant support for their children to attend agricultural college education must be supported and maintained.

Land Transfer

- Ensuring that young farmers are not penalised with crippling tax burden upon their entrance into the industry will be important in attracting higher numbers.
- The current rate of 90% Agricultural relief under the Capital Acquisition Tax system, which encourages the transfer of farmers to younger farmers must be retained.