

## Ireland's youth – paying the price for their elder's crisis<sup>1</sup>

Irish youth suffer a lethal cocktail of unemployment, emigration, mortgage arrears, welfare cuts and a future weighed down by socialised bank and fiscal deficit debt. This translates into high incidences of mental ill-health, youth suicide and self harm but little visible forms of intergenerational political conflict.

After years of crisis the youth unemployment rate (15-24 year olds) is high but decreasing, dropping from 33.0% to 29.6% in the past year (compared to a standardised rate decline from 14.3% to 12.6%). This past year saw net job growth of 58,000 (54,000 fulltime) and increases in employment of 4.5% in 35-54 age groups. However employment decreased almost 2% in the 25-34 age group and labour supply decreased by 32,000 ([Nov 26<sup>th</sup> QNHS Q3 2013](#)). The drop in youth unemployment is a function of emigration. Half of Irish 18-24 year olds consider [emigration](#). Over 70% of emigrants are aged in their twenties and 62% hold a tertiary qualification of three years or more (compared to 47% of Irish people aged between 25-34). It is telling that only 23% of emigrants were unemployed at the point of departure, 47% of emigrants were employed in full-time jobs and another 13% worked in part-time jobs before their departure. They left not for lifestyle choice or to find jobs, most left to find better jobs. While 39.5% would like to return to Ireland in the next three years, only 22% think they will. 82% require economic improvement as a perquisite to return.

Recent welfare state and labour market settlements have been manifestly unfair in terms of intergenerational justice. Various public sector wage agreements protected insiders by trading wage protection against public sector job losses and lower wages and pensions for new (young) entrants. Early crisis reductions in all working age social welfare payments from €204 to €188pw, were supplemented by additional blows in Budget 2009 decreases in job seekers payments (JSA) for those aged 22-24 by €44 (to €144) and for those aged 18-21 by €88 (to €100). By 2011 41.8% of young Irish people were at risk of poverty but in [October 2013](#) government saved €32m by reducing JSA to €100 for 22-24 year olds to save €32m. In contrast social welfare pensions are protected (albeit secondary payments and older peoples services were reduced). The work incentive arguments and abusive youth welfare dependency commentary used to justify these cuts is difficult to sustain. There is only

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one job vacancy for every 32 job seekers, there remains significant shortfall in youth labour market programmes and 85% of youth on the live register previously worked. In reality government is creating problems of interregional mobility, increased homelessness and youth poverty. They will pay a high price for short term savings.

Ireland lacks a national strategy to tackle youth unemployment and risks repeating mistakes of the past. Young graduates emigrate as Irish employers recruit migrant labour to meet language and IT skills shortages. Young people under 25 are not qualified for Community Employment (the largest labour market programme) but comprise 29% of 'JoBridge' a post crisis 6-9 month internship which has been critiqued for low quality and lack of fit with many young unemployed. The most failed in all of this are [Ireland's NEETS](#) (not in education, employment or training). With 18.4% of 15-25 (52.7% of the unemployed in that age group), Ireland has the 4<sup>th</sup> highest EU NEET population. Such wasted personal opportunity and scarring is not equally distributed, those on low income, ill health, disability, [ethnicity and educational disadvantage](#) are much more likely to experience labour market insecurity.

The high number (60%) of Ireland's young adults in full time tertiary education combine with high emigration levels to produce a relatively small youth labour force. A statistically high 29.6% youth unemployment translates into little more than 40,000 young people. In a practical sense the problem seems solvable. The European Union Youth Guarantee(an Irish 2013 EU presidency priority) saw investment of only €14m Budget 2014, this compares dismally to €273m considered necessary to guarantee each of the 41,453 youth a €6,600 investment required to produce for a quality outcome ([NYCI](#)). While there is now an Implementation Plan for the Irish Youth Guarantee there is concern about expansion of sanctions for this age group. Internships requires regulation and monitoring of standards and greater links to education and training. Insufficient focus on upskilling could be addressed though increased apprenticeship opportunities and targeted vocational education connected to emerging jobs in services and manufacturing. Irish young people are emigrating, not to avoid unemployment, but to avoid a low quality and precarious labour market. Only six countries are more flexible than Ireland on the OECD strictness of employment protection legislation index (2008) and sectoral protections for low paid workers were further diluted in 2010. Part-time underemployment decreased from 32.4% in 2011 to 30.9% of total part-time employment in Q3 2013 but 47% of young people are in part-time jobs that are likely to be lower paid, without training and progression opportunities and below workers qualification levels. Lower social protection combined with threats of greater sanctions in a 'work first' activation strategy may push

young people into low paid and precarious jobs. New forms of employment protection legislation are required to safeguard against negative and perilous forms of atypical work.

There is little generational analysis of Irish macro expenditure but spending on healthcare and pensions is inevitably biased towards older citizens. We can most clearly see corrosive intergenerational distributional outcomes in housing policy. The over 40's who purchased homes pre Celtic Tiger have benefited from low interest rates and reduced mortgage costs. 25% of Ireland's [mortgage holders](#) are under 35, these bought in the 2000's and suffer negative equity with associated immobility impacting on family formation and job search. At end-June 2013 97,874, or 12.7 per cent of private residential mortgage accounts, were in arrears of more than 90 days, many of them young owners who bought at the top. Given only 1% of mortgages are held by under 25 year olds, the future demographic of house ownership will be increasingly skewed towards older groups. To complete the picture the younger generation is increasingly vulnerable to homeless.

Irish politicians show limited imagination or ambition with regard to policy responses to youth precariousness but there has been little political fallout from this. Most of all, Irish young people vote with their feet, they emigrate. Those who remain are less likely to vote in part perhaps because they lack awareness of the bad deal they are offered. Under 24's are most inclined to believe (incorrectly) that pensioners fare worst from welfare spending when 32% of the welfare budget goes to pensions compare to 27% for working aged and 17% for child benefit (Dec 1<sup>st</sup> 2103 Ipsos MRBI). There are signs of change, youth emigration remains an economic and political safety valve but Irish youth recently initiated the 'we're not leaving campaign'<sup>2</sup> highlighting key issues including mental health, forced emigration, cuts in social welfare for under 26's and a negative internship culture. Addressing intergenerational power differentials means empowering young people's voice. Investing in civic and political education in secondary schools, lowering the voting age to 16 and the right to vote for these first generation emigrants would be a start. Recent job creation growth in the absence of economic is baffling but encouraging. The compass needs to turn to hope for young people, towards decent and relevant work and a quality focused youth guarantee to match skills strategies and new jobs.

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<sup>2</sup> <http://www.irishtimes.com/blogs/generationemigration/2013/11/01/the-protesters-who-refuse-to-be-shown-the-door/>