

YOUTH UNEMPLOYMENT IN NORTHERN IRELAND

Jessica Bennett, January 2010

Introduction

1. Youth unemployment is a rising concern for the political agenda. The latest Office for National Statistics (ONS) release of the Labour Force Survey (LFS) shows youth unemployment rising to 20 per cent in Northern Ireland (NI), more than double the overall unemployment rate. The local Executive is coming under greater pressure to address this issue as the career prospects of young people become one of the major casualties of the recession. Against this background, this paper uses various labour market indicators to assess the current position of youth unemployment, examines the measures currently in place to deal with it and looks forward to the further policy choices available to the Executive.

2. Youth unemployment is an important policy issue for many economies today as unemployment at an early age may have serious adverse consequences for young people's productive potential and future employment opportunities. The current economic conditions are making it even more difficult than usual for those young people who are leaving education to secure employment and it is important that they are given as much support as possible to prevent them becoming long-term unemployed. This is particularly important for those young people with low level skills as even the most basic entry-level jobs become harder to get. However, before we explore the problem of youth unemployment it is important to first define what we mean by 'youth'. According to the standard UN definition, youth comprises the age-group between fifteen and twenty-four inclusive. In practise however, this definition tends to vary from country to country. In the UK, youth comprises all young persons aged between 16 and 24; however, for the purpose of this report (given the availability of statistics) youth will refer to those persons aged between 18 and 24.

The Unemployment Rate

3. In NI, the overall unemployment rate¹ for the period July-September 2009 was estimated at 7.2 per cent. This represented a rise of 3.0 per cent in just one year with the number of unemployed persons increasing by approximately 24,000 - the largest annual increase in unemployment since the LFS seasonally adjusted series began in 1995. In the UK overall, the unemployment rate rose 1.9 per cent on last year to 7.8 per cent with the number of people employed down by 629,000 on the same time last year. NI, therefore, remained below the UK average and was the joint fourth lowest among the UK regions. The NI rate also compared favourably to the EU rate of 9.1 per cent and the RoI rate of 12.5 per cent for August 2009. However, with an annual increase of 3 per cent – the growth in unemployment in NI was above the UK average (1.9%) and the second highest of the UK regions (after the West Midlands – 3.4%).

4. When it comes to youth unemployment a different picture emerges. In NI, rising youth unemployment and spiralling levels of economic inactivity are longstanding concerns that have just been exacerbated as a result of the recession. Young people in the 18-24 year old age group have been hit particularly hard by the downturn and there are rising concerns about the future prospects of these young people whose first experience of the labour market will most likely be clouded by a lack of opportunity.

5. Of the 24,000 newly unemployed last year, approximately 9,000 (37.5%) were aged between 18 and 24. In the three year period from July-September 2006, the number of 18-24 year olds in unemployment has doubled from approximately 12,000 to 24,000 causing the unemployment rate to rise from 9.9 per cent in 2006 to 20.4 per cent in 2009 (Table 1). This means that the rate of youth unemployment in NI is currently almost three times the overall unemployment rate and almost four times the rate for older workers (aged 25-49). When compared to the UK average, youth unemployment is now a bigger problem in NI with the rate above the UK average of 18.0 per cent for July-September 2009. NI's youth unemployment rate has now topped the 20.1 per cent peak recorded for December-February 1994.

¹ The unemployment rate is the proportion of the economically active population who are not working.

6. In the UK overall, youth unemployment is a long term national problem. As at September 2009², approximately 746,000 young people aged between 18 and 24 were unemployed in the UK. This represents a 28.6 per cent rise from the same period in 2008 when the unemployed youth figure stood at 580,000. The latest quarterly figures produced by ONS show that the rise in overall unemployment has slowed this quarter; however, the youth unemployment rate has continued to rise with the youth unemployment rate now at a record high. The figure is expected to rise further as young people are disproportionately hit by the drop in labour demand caused by the recession.

Table 1: Unemployment by Age - LFS Labour Market Statistics July-September 2009

	Unemployed by Age					
	18-24 (000's)	Rate %	25-49 (000's)	Rate %	16+ (000's)	Rate %
July-Sept 2006	12	9.9%	18	3.6%	40	5.0%
July-Sept 2007	14	10.9%	14	2.8%	34	4.1%
July-Sept 2008	15	12.2%	15	3.0%	36	4.3%
Oct-Dec 2008	17	13.6%	20	4.0%	43	5.2%
Jan-Mar 2009	18	15.0%	25	5.1%	51	6.3%
Apr-June 2009	20	17.6%	26	5.2%	52	6.5%
July-Sept 2009	24	20.4%	27	5.4%	59	7.3%
Change on Yr	8	8.2%	12	2.4%	24	2.9%

Note: Figures may not sum due to rounding.

Figures for persons in the 50+ age group have not been included in the table above as the sample size was too small for a reliable estimate.

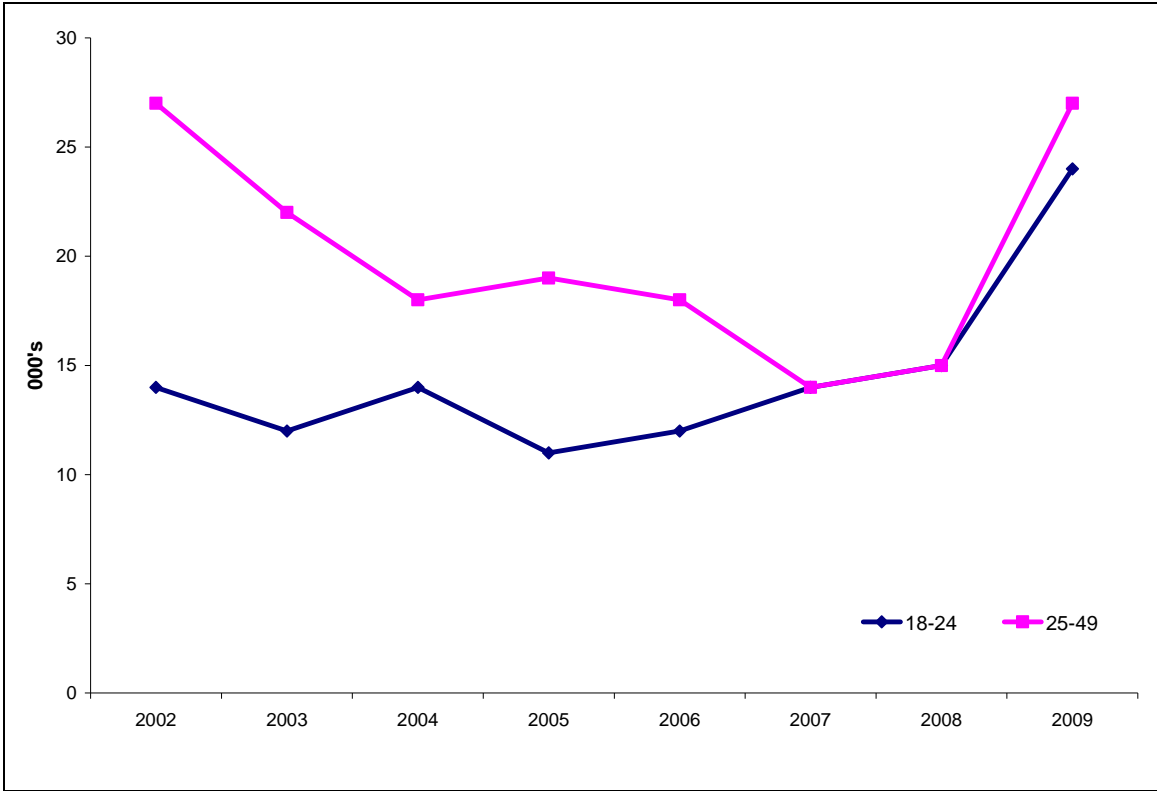
Source: www.detini.gov.uk

7. Figure 1 illustrates the trends in unemployment by age bands between 2002 and 2009. Since 2008, there has been a sharp rise in unemployment amongst both age groups which is most certainly an impact of the recession. Whilst unemployment amongst the 25-49 year old age group had been falling prior to 2007, the chart shows how youth unemployment has been rising steadily since 2005, before the recession took hold. This

² Figures refer to LFS July-September 2009 estimates.

shows how youth unemployment has been an ongoing problem in NI that has just been intensified as a result of the recession.

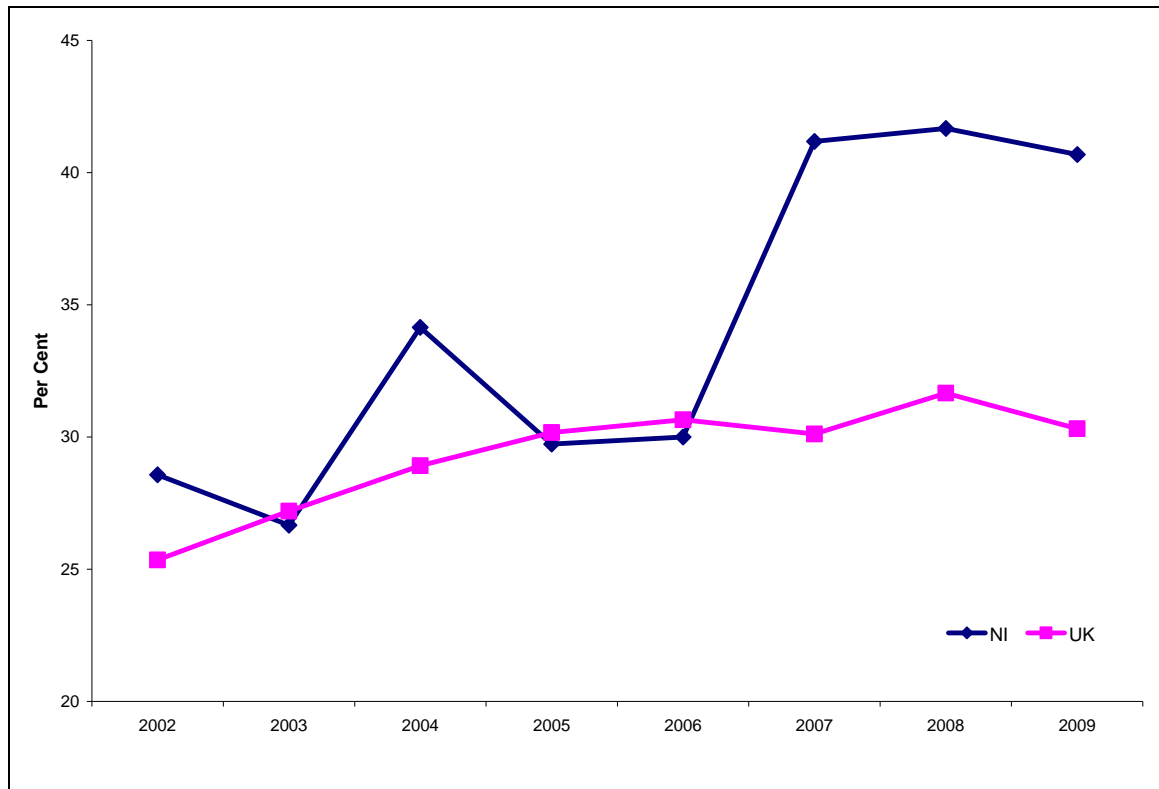
Figure 1: Trends in Unemployment by Age Band



Source: Labour Force Survey – July – September Estimates, 2002-2009, DETI

8. Figure 2 presents youth unemployment as a proportion of all unemployment for both the UK and NI from 2002-2009. As we can see, youth unemployment in NI constitutes a much bigger share of total unemployment than in the UK overall. In 2008, youth accounted for 41.7 per cent of the total unemployed in NI. Since then the number of unemployed young people has increased by 9,000 but given the rise in overall unemployment their share of the total unemployed has fallen slightly. Nonetheless, youth unemployment still counts for approximately 40.7 per cent of total unemployment in NI compared to just 30.3 per cent in the UK overall.

Figure 2: Youth Unemployment (18-24) as a Proportion of All Unemployment (16+)



Note: Authors own calculations.

Source: Labour Force Survey – July-September Estimates, 2002-2009, DETI & ONS

9. The youth unemployment rate for each of the GORs in the UK is presented in Table 2. The data was taken from the Annual Population Survey and refers to the twelve month period April 2008 to March 2009. Although unemployment has got significantly worse since then (NI's latest estimates have youth unemployment at 20.4%), the figures should provide some indication of where NI sits in relation to the other regions. In 2008, NI's average youth unemployment rate was just 0.1 percentage points above the UK average and was the seventh highest of all the UK regions. West Midlands was recorded as having the highest rate of youth unemployment, followed by the North East and London. However, the most recent quarterly figures available from the LFS show that NI now has a youth unemployment rate 2.4 percentage points higher than the UK average. This could imply that youth unemployment in NI is rising at a faster rate than in any other region. Media reports (Telegraph 08-11-09) claim that NI has one of the highest rates of youth unemployment in the UK and given that the UK is reported to have the highest level of youth unemployment in Europe, new policies to tackle youth unemployment are long overdue.

Table 2: Youth Unemployment Rate by Government Office Region (GOR), April 2008 – March 2009

	18-24 Unemployment Rate (%)
North East	17.2
North West	14.7
York & Humber	16.7
East Midlands	12.6
West Midlands	17.6
East	12.1
London	17.0
South East	11.8
South West	9.8
Wales	15.1
Scotland	12.1
Northern Ireland	14.2
United Kingdom	14.1

Source: Annual Population Survey, April 2008 – March 2009 NOMIS (November 2009)

Claimant Count Statistics

10. The claimant count has also been used as a main indicator of labour market activity since the mid 1970's. The claimant count records the number of people claiming unemployment-related benefits, namely Job Seekers Allowance (JSA) and National Insurance credits, with the figures being derived from records of claimants at Social Security Offices³. To get JSA, persons must be: available for and actively seeking work; between age 18 and State Pension age; and, working less than 16 hours per week on average. JSA isn't normally paid to 16 or 17 year olds, except in special cases. The claimant count is best viewed as an unemployment indicator not a comprehensive unemployment measure.

11. Table 3 presents information on youth claimants by gender for each of the Government Office Regions, as at October 2009. Using this measure of labour market

³ The figures include the severely disabled claimants, but exclude students seeking vacation work and those who have temporarily stopped working.

activity, NI has a higher proportion of youth claimants compared to all other regions except Wales. With 33.2 per cent – one third – of all claimants being aged between 18 and 24, this is well above the UK average of 30.4 per cent and over 7 percentage points higher than the equivalent figure for London. In Wales, approximately 35.3 per cent of all claimants are aged between 18 and 24.

Table 3: Youth Claimant Count (18-24) by Gender and Government Office Region (GOR), October 2009

	Youth Claimants			% of all Claimants		
	Males	Females	Total	Males	Females	Total
North East	19,490	7,925	27,420	30.6	38.1	32.4
North West	44,345	19,240	63,585	30.4	38.0	32.3
York & Humber	34,170	14,910	49,080	29.8	37.5	31.8
East Midlands	24,535	11,390	35,925	30.4	37.2	32.3
West Midlands	38,800	17,620	56,420	29.5	37.0	31.5
East	22,695	11,315	34,010	27.0	33.1	28.8
London	36,750	22,120	58,870	24.5	28.6	25.9
South East	29,915	14,465	44,380	27.2	32.3	28.7
South West	19,000	8,715	27,710	28.8	34.1	30.3
Wales	19,485	8,010	27,500	33.4	40.9	35.3
Scotland	26,545	10,800	37,350	27.5	33.2	29.0
Northern Ireland	12,910	4,410	17,325	31.9	37.3	33.2
United Kingdom	328,640	150,930	479,575	28.8	34.7	30.4

Source: Claimant Count, NOMIS, November 2009

12. Claimant count data also shows how the number of young people out of work has increased significantly during the recession. Table 4 shows that the number of young people aged between 18 and 24 claiming JSA has increased by just under 10,000 since October 2007. This represents an increase of approximately 135 per cent in just two years. The data also implies that, as of October 2009, approximately one in ten young people in NI⁴ are out of work and claiming unemployment related benefits.

⁴ NI 18-24 Estimated Population 182,707 (2008)

Table 4: Youth Claimant Count Trends by Gender, October 2005- October 2009, NI

	Youth Claimants			% of all Claimants		
	Males	Females	Total	Males	Females	Total
October 2005	5,985	2,745	8,730	29.1	40.2	31.9
October 2006	6,080	2,930	9,010	30.2	41.9	33.2
October 2007	5,145	2,220	7,365	30.1	39.4	32.4
October 2008	7,875	2,905	10,780	33.8	42.2	35.7
October 2009	12,910	4,410	17,325	31.9	37.3	33.2

Source: Claimant Count, NOMIS, November 2009

13. The claimant count can also be analysed by gender, age and duration (Table 5). In NI, at October 2009, it appears that approximately 70 per cent of youth claimants have been claiming job related benefits for less than 6 months. Given that youth unemployment has been a longstanding problem in NI this is quite surprising, although it may reflect the large numbers of young persons who have been unemployed for quite a while but are only just eligible to claim JSA. However, claimant count data back to 2005 also shows that the majority of youth claimants are claiming for less than 6 months so perhaps this is indicative of the effectiveness of programmes such as the New Deal for 18 to 24 year olds.

Table 5: Claimant Count by Age and Duration: NI, October 2009

	Male	Female	All
All 18-24	12,910	4,410	17,325
18-24 (>6 mths)	3,975	1,040	5,015
18-24 (<6 mths)	8,935	3,370	12,305
25+ (>1 yr)	6,180	1,070	7,250
25+ (>18 mths)	2,550	465	3,015
25+ (>2 yrs)	820	165	985
50+ (>6 mths)	2,755	830	3,585
Total	40,415	11,810	52,225

Source: NOMIS, November 2009

14. The proportion of male : female young claimants in NI is approximately 2.9:1. While this is higher than in any other GOR, in all regions, the number of male claimants is much greater than the number of female claimants with the proportions varying from 1.7:1 in London to 2.5:1 in the North East. In the UK overall, there are approximately 2.2 young male claimants for every young female claimant.

15. Table 6 presents information on the youth claimant count as a proportion of the youth population by NUTS iii regions in NI⁵. As can be seen, almost 10 per cent of the 18-24 year old population in NI are currently claiming unemployment related benefits. This is quite high considering that approximately 50 per cent (49.6%) of the 18 year old population in NI are in full-time undergraduate higher education (in the UK or Republic of Ireland)⁶.

16. When disaggregated into the NUTS iii regions, the North of NI has the highest incidence of youth claimants with 12.4 per cent of the youth population currently in receipt of some form of unemployment benefit. With 8.1 per cent recorded on the claimant count, Outer Belfast has the least amount of youth claimants. These estimates tie in with earlier unemployment figures which show that the North of NI recorded the highest unemployment rates whereas Outer Belfast recorded the lowest (2006, LFS estimates).

Table 6: Youth Claimant Count: NI, NUTS iii Regions, October 2009

	All 18-24 Claimants	18-24 Population Estimate*	%
Belfast	3,700	35,788	10.3
Outer Belfast	2,830	34,767	8.1
East NI	3,520	40,577	8.7
North NI	3,595	29,082	12.4
West & South NI	3,680	42,493	8.7
NI Total	17,325	182,707	9.5

* NISRA, 2008 Population Estimates by single age groups for Local Government Districts. NUTS iii population estimates – authors own calculations.

Source: NOMIS, November 2009

⁵ NUTS iii Regions are made up of the following Local Government District areas: Belfast; Outer Belfast – Carrickfergus, Castlereagh, Lisburn, Newtown, North Down; East of NI – Antrim, Ards, Ballymena, Banbridge, Craigavon, Down, Larne; North of NI – Ballymoney, Coleraine, Derry, Limavady, Moyle, Strabane; West & South of NI – Armagh, Cookstown, Dungannon, Fermanagh, Magherafelt, Newry & Mourne, Omagh.

⁶ Department for Employment and Learning (DEL), Age Participation Index (API) for 2007/08. The API is defined as the number of NI domiciled young entrants (aged under 21) to full-time undergraduate higher education (in the UK or RoI) as a percentage of the 18 year old population of NI.

Economic Inactivity Statistics

17. Unemployment is only part of the overall picture of people who lack, but want, paid work – the economically inactive. It has been widely recognised that unemployment is only a partial measure of joblessness which needs to be combined with labour market inactivity measuring participation in the labour force (Gregg and Wadsworth 1999). People are classified as being economically inactive if they are aged 16 and over and are not in employment and are not seeking employment. This brings enormous differences in the “non-employment rate” (unemployment and inactivity). Table 7 presents the age distribution of the economically inactive for July-September of 2006 and 2009 for NI. As can be seen, the number of economically inactive young persons aged between 18 and 24, has increased quite dramatically in the three year period. In fact, all age groups have seen a rise in the number of economically inactive. Inactivity has increased by 2 per cent in the 25-49 age group and by 6 per cent in the 50-59/64 age group. However, with an increase of 25 per cent, it is the 18-24 age group that has seen the biggest rise in economic inactivity.

18. The economic inactivity rate for all working age persons in NI, at 28.7 per cent is the highest of all the UK regions and is well above the UK average of 21.1 per cent. The economic inactivity rate has been, and continues to be a major policy concern in NI.

Table 8: Age Distribution of the (Working-Age) Economically Inactive: Northern Ireland, July–September 2006 & July–September 2009

	2006 (000's)			2009 (000's)		
	Male	Female	All Persons	Male	Female	All Persons
16-17	20	21	40	22	19	42
18-24	21	31	52	26	39	65
25-49	31	78	109	34	78	111
50-64 / 59	44	42	87	51	40	92
All 16-59/64	116	171	287	134	176	310

Source: LFS July-September Estimates, DETI

Table 9: Economically Inactive (Working-Age): NI & UK July-September 2009

	Northern Ireland		United Kingdom	
	No. (000's)	%	No. (000's)	%
Males	134	23.9	3,332	16.8
Females	176	33.7	4,665	25.7
All Persons	310	28.7	7,997	21.1

Source: DETI, LFS July-September Estimates; ONS, LFS July-September Estimates

19. In Table 10, we present inactivity / no qualification statistics by GOR for 2008/09. Although unemployment figures suggest NI was performing relatively well compared to the other GORs, the inactivity statistics show NI to have the highest rates of economic inactivity amongst the working age population. With 28.1 per cent of the working age population in NI recorded as being economically inactive, this is considerably higher than the next highest figure for London (& Wales) at 24.2 and almost seven percentage points higher than the UK average figure. Among the youth population (16-24 in this instance), NI also has the highest level of economic inactivity – at 43.7 per cent, this is almost ten percentage points above the UK average. Economic inactivity is a major policy concern throughout the UK but particularly in NI where there have been persistently high rates of economic inactivity for many years and these figures would suggest that the unemployment rate in NI no longer provides a trustworthy measure of the degree of slack in the NI labour market. Non-employment (unemployment and inactivity) would perhaps, be more informative.

20. Table 10 also presents information on the proportion of the working age population and the proportion of the 16-24 year old population with no qualifications. Once again, NI is ranked highest of all the GORs and lies well above the UK average for both. The data implies that 18 per cent - almost one in five young persons aged between 16 and 24 in NI have no qualifications. This is considerably higher than in any other region with the West Midlands having the next highest proportion at 14.7 per cent. Scotland has the lowest proportion of 16-24 year olds with no qualifications at just 8.3 per cent. With regards to the working age population as a whole, the data implies that more than one in five of the working age population in NI have no qualifications at all. This is compared to

approximately one in eight in the UK overall and one in eleven in both the South East and South West.

Table 10: Inactivity / No Qualifications Statistics by Government Office Region (GOR), 2008/09

	% 16-24 Econ Inactive¹	% WA Econ. Inactive¹	% 16-24 with No Qualifications²	% WA with No Qualifications²
North East	33.3	23.1	10.4	13.4
North West	35.3	23.5	12.8	14.7
York & Humber	33.0	21.9	12.6	13.4
East Midlands	31.6	19.3	12.1	13.2
West Midlands	36.5	22.8	14.7	16.0
East	29.9	18.3	11.7	11.8
London	43.1	24.2	11.4	12.0
South East	30.2	17.5	9.6	8.9
South West	28.5	18.1	9.1	9.0
Wales	34.6	24.2	12.4	14.1
Scotland	29.8	20.3	8.3	12.5
Northern Ireland	43.7	28.1	18.0	21.8
United Kingdom	33.9	21.3	11.6	12.7

¹ Data taken from Annual Population Survey April 2008-March 2009 Estimates, NOMIS (November 2009)

² Data taken from Annual Population Survey January-December 2008 Estimates, NOMIS (November 2009)

Source: Annual Population Survey, NOMIS (November 2009)

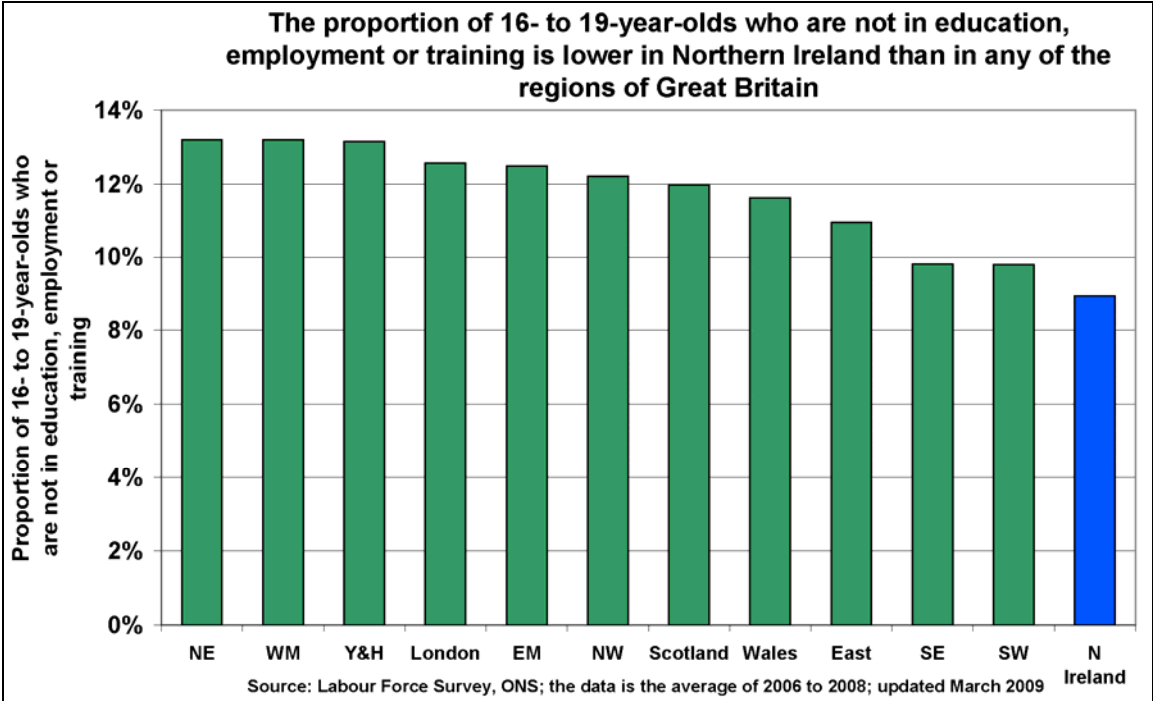
Not in Education, Employment or Training (NEETS)

21. For the most part, this report has focused only on those youth aged between 18 and 24 who are unemployed. However, many young persons aged between 16 and 18 disengage from education after completing the compulsory schooling requirement and spend several months or more not in education, employment or training (NEET) before they become entitled to unemployment benefits. Being NEET between the ages of 16-18 is a major predictor of later unemployment, low income, depression and poor physical health and is an enormous waste of young people's potential and their contribution to society. Reducing the proportion of 16-18 year old NEETs should therefore be a key priority for the Government. In NI, however, there are no official estimates of how many

16-18 year olds are NEET. With regards to participation in full-time education and vocational training by 16 & 17 year olds in NI, recent figures for the 2008/09 academic year show this to be 86.8 per cent⁷ – 5.3 percentage points higher than the equivalent figure for England. In addition, the LFS produces estimates of employment by age and recent estimates (January – March 2009) suggest that approximately 17.5 per cent of 16 & 17 year olds (based on 2008 mid-year population estimates) in NI are employed. Using this combination of sources, there isn't much room for 16 and 17 year olds who are NEET. Nonetheless, The Poverty Site (www.poverty.org.uk) which sources its data to the LFS claims that around one in ten 16-19 year olds in NI are now NEET and that the proportion is lower in NI than in any other UK GOR. Whilst this data is for the 16 to 19 year old grouping, rather than the traditional 16 to 18 year old grouping, it should still give some indication of the extent of the problem.

22. Figure 3 shows the proportion of 16-19 year old NEETs in NI compared to the other GORs. To improve its statistical reliability, the data is the average for the latest three years and shows NI to have an average of less than 9 per cent compared to more than 13 per cent in the North East, West Midlands and Yorkshire & Humberside.

Figure 3: The Proportion of 16-19 year old NEETs in NI compared to the other GORs



Source: The Poverty Site (www.poverty.org.uk)

⁷ Participation in Training for Success programmes outside the FE sector is also included.

Youth Unemployment Policies

23. With youth unemployment presenting such a problem in NI, it would be useful to know what policies are in place to help combat the problem and how effective these policies have been in recent years.

24. The New Deal for 18-24 Year Olds (known as the New Deal for Young People (NDYP) in GB), was introduced in NI on the 6th April 1998⁸. The New Deal for 18-24 Year Olds is mandatory for those young people aged between 18 and 24 who have been claiming Jobseekers Allowance (JSA) for a continuous period of six months or longer. The programme aims to help unemployed young adults find sustained employment through a series of initiatives designed to increase their employability and equip them with relevant skills for the labour market⁹.

25. The New Deals have been hailed as the most successful innovation in the history of the UK labour market having helped more than 1.8 million people throughout the UK into work during the last 10 years (www.dwp.gov.uk). In NI, the New Deal for 18-24 Year Olds has helped more than 25,000 young people into unsubsidised employment between April 1998 and September 2008. However, with almost 75,000 participants in that period, this equates to just 36 per cent of the total participants, of which, less than 85 per cent (just 30 per cent of the total participants) sustained¹⁰ that employment. This is considerably better than the equivalent figure for 25+ participants – just 19 per cent of all participants in the New Deal for 25+ actually left for sustained employment (www.delni.gov.uk).

26. However, the New Deals are now over 10 years old and given the ever changing labour market, policy changes are also required. On 29th September 2008, Steps to Work (StW) was introduced in NI. The StW programme subsumes the main New Deal programmes¹¹. StW is a new '3 step' approach to tackling unemployment which is

⁸ NDYP was first introduced in Great Britain in January 1998 as one of the key parts of the government's welfare to work strategy.

⁹ While this is essentially a UK wide policy, it is no longer possible to directly compare GB and NI destination and found work figures on leaving New Deal as GB is now using their Work and Pensions Longitudinal Study (WPLS) for developing New Deal statistics.

¹⁰ A participant is considered to have sustained employment (subsidised or unsubsidised) if they remain in that employment for 13 weeks or more.

¹¹ From October 2009, the current New Deal programme is being replaced by a different programme called 'Flexible New Deal' in parts of England, Scotland and Wales. The Flexible New Deal will replace the current New Deal 18 – 24 and 25+ and Employment Zones programmes.

available to all those persons aged 18 or over (or lone parents aged 16 or over) who are not working (or working less than 16 hours each week)¹². It offers a flexible menu of work related activities that can be tailored to suit your employment needs. When taking part in StW you will be allocated an advisor who will provide support and guidance to help you decide which opportunities best suit you.

27. In addition to this, a new initiative, 'Step Ahead', started in October. This is aimed at people receiving benefits who have been out of work for more than 30 months. Under this initiative, funding has been allocated for 1000 jobs within the voluntary and community sector. Each job will last for six months and could benefit up to 4,000 long-term unemployed over the next two years.

28. The DEL also offers various other schemes for young people and adults to develop both the skills and knowledge needed to get a job in their chosen area. For example, Bridge to Employment is a pre-employment training programme that can help those unemployed participants (aged 18+) find a job whatever their experience of work. Employers use the Bridge to Employment programme to find and train unemployed people to fill current job vacancies which are advertised for a limited period in newspapers etc. Application is voluntary and while on the programme, participants will retain their benefits and be reimbursed for travel expenses. On successful completion of the training programme, participants will be interviewed by the company with a view to offering employment. However, it would appear that this is not guaranteed.

29. DEL has recently introduced another scheme, the Learner Access and Engagement programme, which is targeted at adults aged between 19 and 65, who are not in work, who do not hold a qualification at Level 2 or above and who may have barriers to learning. The programme, which commenced in September 2008, will run for three academic years and will provide opportunities for non-statutory organisations, (mainly, but not necessarily, voluntary and community bodies) to provide learner support through a contractual arrangement with a FE College. The programme will operate throughout NI, with all six FE Colleges participating. Only those learners who meet these criteria should be engaged by non-statutory organisations or benefit from these services.

¹² StW is open to those claiming benefits as well as those not working and not claiming benefits.

30. ApprenticeshipsNI offers participants a diverse range of training and the opportunity to gain nationally recognised qualifications. Apprenticeships can also lead into further and higher education courses for those who want to take their learning further. Apprenticeships are open to all persons who have reached the minimum school leaving age, and who meet the entry requirements set out by the sector. However, whilst this scheme is open to both unemployed and employed persons, those who are unemployed must be about to take up permanent remunerative employment with a NI based company and be contracted to work a minimum of 21 hours per week with one employer. Those in employment must be in permanent remunerative employment with a NI based company from day one of the Apprenticeship. For those apprentices within the manufacturing engineering sector or the tradable services sector who have seen their hours cut as a result of the economic downturn, DEL introduced the 'Skillsafe' scheme in June 2009. The aim of the skillsafe scheme is to fill the apprentices' downtime with accredited training that will contribute towards their apprenticeship. Apprentices will also receive a training allowance to help offset the reduction in their pay, brought about as a result of them being placed on short-time working.

31. In addition to this, and as a further response to the current economic climate, DEL have recently introduced Programme-Led Apprenticeships (PLA). With the present economic situation making it increasingly difficult for would-be apprentices to find paid employment whilst completing their training, programme-led apprentices spend more time with the training organisation, concentrating on learning practical skills in a simulated work environment but they also have the opportunity for a work placement. PLA aims to provide young people aged 16 and 17 (applicants aged 18-24 must qualify under eligibility condition) with the opportunity to take part in a Level 2 Apprenticeship where the apprentice will work towards achieving an industry-approved Level 2 Apprenticeship Framework. The PLA began on 7th September 2009 and runs parallel to the 'employer led' ApprenticeshipsNI programme. Apprentices participating on the PLA are termed as 'Unwaged Apprentices' and would therefore qualify for a 'Non Means Tested Educational Maintenance Allowance' (EMA).

32. Training for Success is a scheme designed for young people aged 16-18 and up to 24 years for those requiring additional support. The scheme provides training that will give young people the relevant qualifications, tools and skills they need to get a job, while

providing them with relevant qualifications as well as the required personal and behavioural skills to progress into work.

33. Several of the above schemes, namely the Apprenticeship and Training for Success schemes should, to some extent, reduce the 'experience gap' between young and adult people as they provide education and training together. In doing this, it should also help for a smoother school-to-work transition.

34. However, Training for Success and the new PLA are aimed at the 16-17 year old population – the so called NEETs - and while remaining programmes are available to both the youth and adult population, it is quite surprising, especially given the severity of the problem, that there appears to be no policies in NI which are specifically aimed at tackling unemployment amongst 18-24 year olds.

35. In GB, the 2009 Budget made £1.1 billion available to deliver the Future Jobs Fund and Young Person's Guarantee. Together they will create new jobs in areas of high unemployment and provide a guaranteed job, work placement or training place for the minority of young people aged between 18 and 24 who reach 12 months unemployment. From next year young people will be required to accept one of the guaranteed offers. It is hoped that this will give many thousands of young adults invaluable skills and work experience that will help them secure a worthwhile job and ensure that no young adult is permanently disadvantaged by the recession.

36. The British Government has also launched a 'Backing Young Britain' campaign which is a rallying call to businesses, charities and government bodies to create more opportunities for young people. They are being asked to commit to one of a large number of initiatives which includes providing work experience places, volunteering places or work trials; internships for graduates and non-graduates; and apprenticeships, among others. But what about NI? The Future Jobs Fund is not available in NI as responsibility for Social Security is devolved to the NI Social Security Agency. Yet there seems to be no special youth funds or campaigns to help the unemployed youth in NI to find employment. With NI having one of the highest rates of youth unemployment in the UK, and consequently, in Europe, is it not about time some youth specific policies were put in place?

37. Professor David Branchflower, the former Bank of England labour market expert, speaking about the UK in general, has warned that youth unemployment could rise much higher unless the government takes radical steps to help school leavers and graduates. Branchflower is urging the UK government to bring forward plans to raise the compulsory school leaving age to 18 and has recommended that unemployed graduates should be given jobs as teaching assistants. Other suggestions include wage subsidies to encourage employers to take on young workers, and removing employers national insurance contributions for anyone under the age of 25. Perhaps some of these recommendations should be given some consideration.

Conclusions

38. Youth unemployment is not a new problem in NI but coupled with the recession, young people are finding it harder than ever to secure employment. For those young people who are finding it difficult to gain employment there can be long lasting consequences such as lower wages, underemployment and a higher chance of future unemployment throughout their lifetimes. Being out of work at a young age can also cause damage to confidence and self-esteem. However, the fact that youth unemployment has been relatively stubborn in the last few years, remaining high even when the economy appeared to be doing well, suggests there are underlying problems. A skills mismatch – where there are young people who don't have the skills that employers are looking for – may explain part of the problem. These young people may have little or no work experience and employers may be reluctant to take on people who may not have a good work history or references. NI also has the highest proportion of working age persons with no qualifications of all the UK regions – with one in five adults (21.8%) of working age having no qualifications this is well above the UK average of 12.7 per cent. Education is therefore a major area requiring address given that the school to work transition is a strong determinant of labour market outcomes.

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