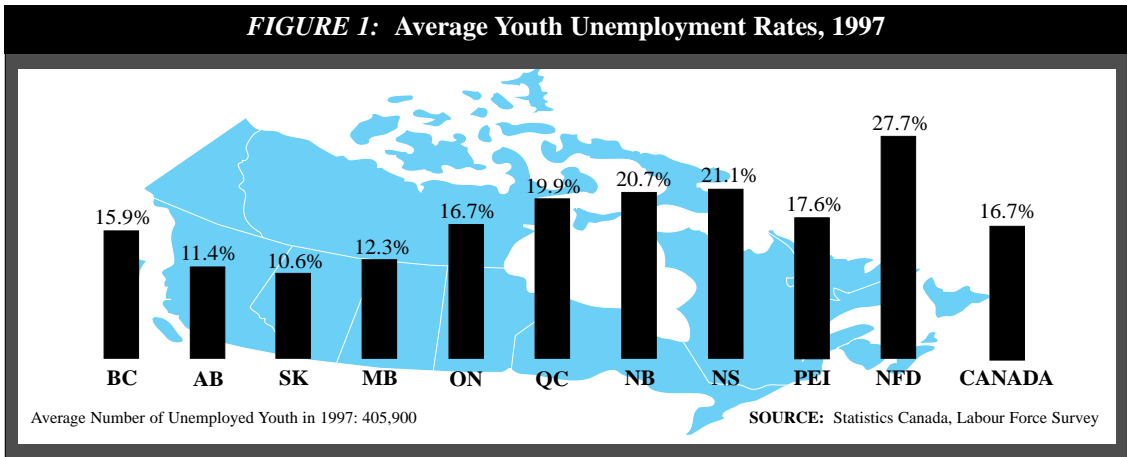




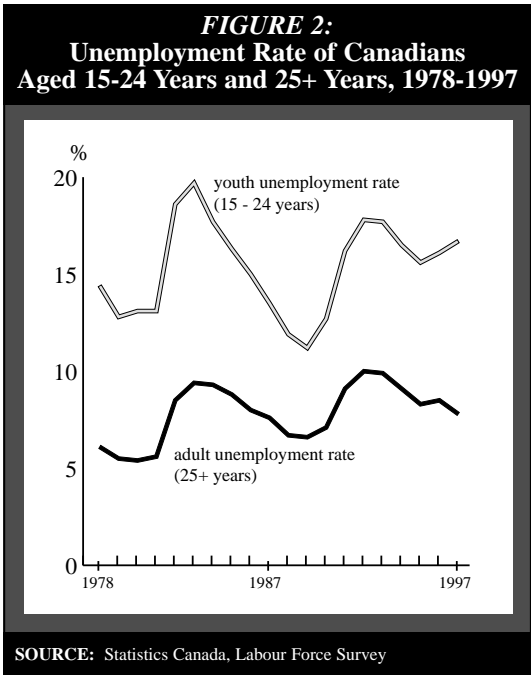
GETTING STARTED: An Overview of Youth Employment Issues & Programs

Youth unemployment has received a great deal of attention in recent years and has emerged as a major public policy issue. As the public, for-profit, and non-profit sectors deal with the challenge of employing youth, policy makers face a number of tough questions about how to provide effective programs and services for young people looking for work. In 1997, youth unemployment rates ranged from 10.6% in Saskatchewan to 27.7% in Newfoundland (*Figure 1*). In every province, the youth rate was substantially higher than the adult rate, with a difference of almost nine percentage points between the national averages (16.7% for youth and 7.8% for adults). Although not a new trend, the gap between the youth rate and the adult rate has increased significantly since the late 1980s (*Figure 2*).



Youth participation in the labour force dropped from 70.6% in 1989 to 61.2% in 1997. The adult participation rate dropped from 66.7% to 65.5% over the same period. The proportion of youths with no work experience was just under 1 in 10 (9.7%) in 1989, but almost 1 in 5 (19.9%) in 1996. It is important to note that these trends may reflect the increase in the proportion of youths attending school (51.9% of youths were in school in 1989 compared to 60.4% in 1996). Nonetheless, the persistent gap between the youth unemployment rate and the adult rate, combined with trends such as lower participation in the labour force and a lack of work experience among a larger proportion of youths, has highlighted the need to address the issue of youth unemployment.

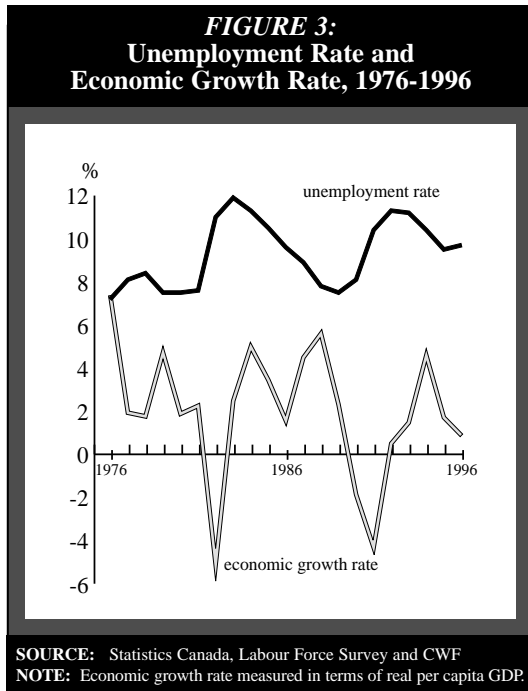
Note: As a rule, statistics on youth unemployment refer to the unemployment rate of people 15 to 24 years of age. This age group is used because it is during these years that people tend to leave school and seek work. "Adults" are defined as persons 25 years of age and over. But is 24 the best year to draw the line between youths and non-youths? What if someone 25 years of age needs the assistance of a "youth" employment program? Despite this, a line has to be drawn somewhere, and 24 is not a bad place as long as it is made clear that people do not always fit into artificial categories. In keeping with this, some youth employment programs assist people over 24 years of age.



CANADA WEST FOUNDATION

COMPETING EXPLANATIONS

There are two schools of thought regarding the causes of youth unemployment. The first position, the “business-as-usual school,” stresses the link between economic growth and job creation. It argues that today’s youth unemployment statistics are caused by a sluggish economy aggravating the routine transition problems between school and work (see Figure 3). The second position, the “changing environment school,” argues that youth unemployment rates are a new phenomenon and cannot be explained away by referring to the transition between school and work or economic growth rates.



1. The Business-As-Usual School

The business-as-usual school can be divided into two factions. The first faction argues that lower taxes, lower public debt and deficits, and decreased government regulation of industry will increase economic growth and, in turn, create jobs for both youths and non-youths. In short, youth unemployment is simply a subset of a more general unemployment problem.

Lower Taxes: It is argued that reducing the taxes paid by businesses would enable them to hire more people (including youths). In this regard, payroll taxes are often identified as particularly harmful. Payroll taxes are used to finance social security programs such as Employment Insurance, the Canada and Québec Pension Plans, and provincial workers’ compensation programs.

Payroll taxes account for about 16% to 17% of all government tax revenue in Canada, and have increased by almost 80% since 1980 when calculated as a percentage of GDP. It is estimated, moreover, that a 1.0% increase in average payroll taxes lowers employment by 0.32%, or about 50,000 jobs. In a study of unemployment trends in Canada during the 1970s and 1980s, the International Monetary Fund concluded that higher payroll taxes led to a 2.5 percentage point increase in the natural (structural) unemployment rate (Finlayson and McEwan, 1996).

Debt and Deficit Reduction: It is generally agreed that large public deficits and debt are a stumbling block to increased economic growth and job creation. Recent and ongoing attempts to restructure government and reduce public spending, combined with economic growth, have reduced deficits. However, because economic growth is the main reason for the shift from red to black ink, a recessionary period may reverse many of the gains made over the last few years. This, in turn, would make it more difficult for youths to find work.

Decreased Government Regulation: It is argued that less state regulation means more jobs, and more jobs means less youth unemployment. Research on the effects of unnecessary or inefficient government regulations on job creation in Canada has been limited. As a result, it is unclear how changes to the current regulatory system will impact youth unemployment.

The second faction of the business-as-usual school argues that current rates of youth unemployment are normal and expected. Youths have always needed time to find stable full-time jobs. Because of this, youth unemployment rates have been double the overall unemployment rate for decades. A relatively high rate of youth unemployment is, in other words, “business-as-usual.”

2. The Changing Environment School

This school argues that *current* levels of youth unemployment are linked to factors outside the traditional transition period between school and work, and beyond the business cycle. Among the factors responsible for youth unemployment are *globalization, technological innovation, government downsizing, and corporate restructuring*. Because research on the links between corporate restructuring and government downsizing on youth unemployment is limited, our focus is on the effects of globalization and technological innovation.

Globalization: Advocates of globalization support increased free market interaction between countries on the grounds that it opens up new markets and, in turn, creates new opportunities for business, labour, and youth. Critics of globalization, especially the International Labour Organization (ILO), argue that it contributes to employment uncertainty and the marginalization, or “social exclusion,” of certain groups of workers – especially youth.

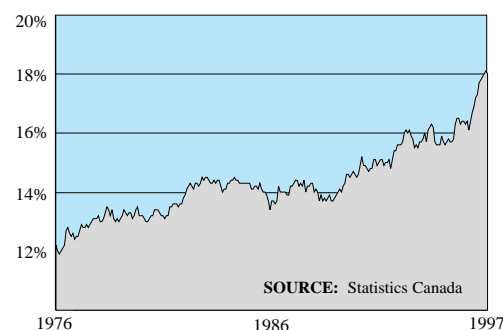
Technological Innovation: Various organizations and individuals have cautioned that failure to address the negative impact of technological innovation on employment could pose a serious threat to the social and political stability of industrialized society. The ILO argues that, except for Germany, the G-7 countries face unusually high youth unemployment rates because of their failure to adapt to the changing environment of technological innovation.

Author Jeremy Rifkin and the ILO both point out that the negative side effects of technological innovation hurt the members of the working class left behind in the transition from a manufacturing-based to an information-based society. Rifkin notes that 75% of the the labour force in most industrial nations work at jobs that can be performed at lower cost by machines. This puts about 90 million jobs in the United States at risk. Because of this, Rifkin sees technological innovation as a precursor to the formation of a criminal subculture particularly attractive to socially excluded youth.

YOUTH EMPLOYMENT PROGRAMS AND SERVICES IN CANADA

The roadmap below summarizes the main youth employment programs and services provided by the federal, provincial, and territorial governments in 1997. As is the case with other areas of public policy, youth employment programs and the resources committed to them tend to change from year to year. Nonetheless, the snapshot of federal and provincial efforts to alleviate youth unemployment presented below provides a good indication of the nature, scope, and cost of existing programs. Thanks are extended to the federal, provincial, and territorial government staff that provided the information necessary to complete this roadmap. Special thanks are extended to Tom Glenwright of the Government of Manitoba.

FIGURE 4: Self-Employment in Canada (% of Total Employment), 1976-1997



Today's labour market is different from the labour market of the 1970s. One of the key differences is the dramatic growth in the number of self-employed workers who are self-employed (see Figure 4). Self-employment is outpacing paid employment of new jobs with an annual growth rate averaging 3.3% compared to paid employment. These trends are due to the creation of numerous employment programs designed to help young people to become self-employed (see the roadmap below for more details).

FEDERAL AND PROVINCIAL YOUTH EMPLOYMENT PROGRAMS

	Federal	British Columbia	Alberta	Saskatchewan	Manitoba	Ontario
Number of Programs & Ministries Responsible	200+ The <i>Youth Employment Strategy</i> includes 35 core programs. A federal publication entitled <i>Youth Link</i> outlines over 200 programs delivered by various departments.	11 Education, Skills & Training; Small Business, Tourism & Culture; Environment, Lands & Parks; Employment & Investment	13 Advanced Education & Career Development; Education; Agriculture, Food & Rural Development; Family & Social Services	6 Post-Secondary Education & Skills Training; Environment & Resource Management	17 Education & Training; Cultural Heritage & Citizenship; Natural Resources; Rural Development	9 Education & Training; Economic Development, Trade & Tourism; Agriculture; Northern Development & Mines; Finance
1997/98 Budget Allocations	\$375 million This figure includes ongoing funding and new funding announced in the 1996 budget.	\$99 million This figure includes almost \$77 million of social assistance funding for persons 19-24 years of age placed into a skills building program called Youth Works.	\$19 million	\$16 million	\$10 million	\$180.4 million
Program Types	Career Development Cooperative Education Employment Experience Entrepreneurial Assistance Volunteer Experience Wage Subsidy Work Training	Apprenticeships Career Development Employment Experience Entrepreneurial Assistance Job Search Wage Subsidy	Apprenticeships Career Development Employment Experience Job Search Training Wage Subsidy	Apprenticeships Career Development Employment Experience Training Wage Subsidy	Apprenticeships Employment Experience Entrepreneurial Assistance Job Search Volunteer Experience Wage Subsidy	Cooperative Education Employment Experience Employer Tax Credit Entrepreneurial Assistance Job Search Training Wage Subsidy
Select Program Highlights	<ul style="list-style-type: none"> Federal partnership with Career Edge (see page 5) provides internships within the public sector up to age 30. Federal initiatives are wide in scope and offer an array of opportunities for all target groups. 	<ul style="list-style-type: none"> Guarantee for Youth Action Plan: <ol style="list-style-type: none"> affordable tuition; a space for every qualified post-secondary student; and access to jobs. 	<ul style="list-style-type: none"> Registered Apprenticeship Program - students spend part of their time in school and part of their time in industry as registered apprentices. Careers: The Next Generation - industry-gov't partnership intended to help high school students gain work experience before they graduate. 	<ul style="list-style-type: none"> Youth Futures - pilot project designed to prevent and reduce dependence on welfare - youth between 18 and 21 years of age are provided with education, skills training, and community service and employment opportunities. 	<ul style="list-style-type: none"> Career Focus - provides support to high school and post-secondary instructors who help students access career-related work experience. Partners With Youth - encourages sponsors to initiate activities that benefit the local community and provide valuable work experience for youth. 	<ul style="list-style-type: none"> Career & Employment Preparation Program - works with employers to develop jobs in local job market - will reach 94,000 people when fully operational (90% will be youth and 30% will be on social assistance).
Contact Information	<p>Youth Resource Network of Canada http://www.youth.gc.ca</p> <p>HRDC http://youth.hrdc-drhc.gc.ca</p> <p>Canadian Heritage http://www.pch.gc.ca/Csy-ecj/cse/main-e.htm</p>	<p>A Voice For Youth http://www.youth.gov.bc.ca</p> <p>Education, Skills & Training http://www.est.gov.bc.ca/sdd/po/ywttw</p>	<p>AB Education http://ednet.edc.gov.ab.ca</p> <p>AB Advanced Education & Career Development http://www.aecd.gov.ab.ca/index.html</p> <p>Careers: The Next Generation http://www.nextgen.org</p>	<p>Saskatchewan Training Strategy Bridges to Employment http://www.sasked.gov.sk.ca/training</p>	<p>Education & Training Youth Programs Branch http://www.edu.gov.mb.ca/youth/index.html</p>	<p>Ministry of Education & Training http://www.edu.gov.on.ca/eng/welcome.html</p>

(% of Total Employment), 1976-1997

Today's labour market is very different from the labour market of the 1970s. One of the key differences is the dramatic growth in the proportion of workers who are self-employed (see **Figure 4**). Self-employment, moreover, is outpacing paid employment as a source of new jobs with annual increases averaging 3.3% compared to 0.2% for paid employment. These trends have led to the creation of numerous youth employment programs designed to assist young people to become self-employed (see the roadmap below for examples).

FIGURE 5: Unemployment Rate of Non-Student Youths by Highest Level of Education, 1996

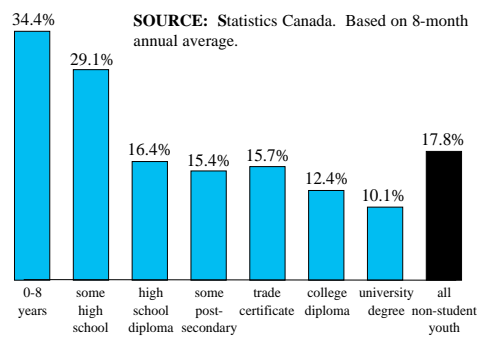


Figure 5 illustrates the strong correlation between education and success in the labour market. Staying in school reduces unemployment levels and tends to result in higher paying and more secure jobs. Education policy is, therefore, a key piece of the youth employment puzzle. It has been argued, for example, that steps taken during elementary and junior high school have a greater influence on a wider number of people than employment programs that target youths after they have left the school system. Although the roadmap below does not focus on mainstream education programs, it does include some examples of the attempt to link school to work.

EMPLOYMENT PROGRAMS AND SERVICES IN CANADA, 1997

Ontario						
<p>9 Education & Training; Economic Development, Trade & Tourism; Agriculture; Northern Development & Mines; Finance</p>	<p>14 Science & Technology; Labour; Agriculture</p>	<p>9 Human Resources Development; Advanced Education & Labour</p>	<p>8 Economic Development & Tourism; Education & Culture; Environment</p>	<p>4 Economic Development & Tourism; Employment Development Agency; Atlantic Canada Opportunities Agency</p>	<p>5 Human Resources & Employment</p>	<p>Yukon - 6 Advanced Education; Renewable Resources</p> <p>NWT - 4 Education, Culture & Employment; Public Works & Services</p>
<p>\$180.4 million</p>	<p>\$60.5 million</p>	<p>\$17.3 million</p>	<p>\$10.7 million (includes 1998/99 allocations)</p>	<p>\$1.1 million</p>	<p>\$4.2 million</p>	<p>Yukon \$441,000</p> <p>NWT \$19 million About \$17 million was recently re-allocated from the social assistance budget.</p>
<p>Cooperative Education Employment Experience Employer Tax Credit Entrepreneurial Assistance Job Search Training Wage Subsidy</p>	<p>Career Development Employment Experience Entrepreneurial Assistance Volunteer Experience Wage Subsidy</p>	<p>Career Development Employment Experience Entrepreneurial Assistance Job Search Volunteer Experience Wage Subsidy</p>	<p>Career Development Employment Experience Entrepreneurial Assistance Volunteer Experience Wage Subsidy</p>	<p>Career Development Employment Experience Entrepreneurial Assistance Wage Subsidy</p>	<p>Career Development Employment Experience Volunteer Experience Wage Subsidy</p>	<p>Yukon & NWT Apprenticeships Career Development Employment Experience Wage Subsidy</p>
<p>• Career & Employment Preparation Program - works with employers to develop jobs in local job market – will reach 94,000 people when fully operational (90% will be youth and 30% will be on social assistance).</p>	<p>• Chantier Youth Work Projects and Youth Volunteers - create work projects in the developing world and Québec.</p>	<p>• Youth Entrepreneurship Program - intensive three-week training session provides training and guidance in the development of a business plan as well as assistance during the business start-up phase.</p>	<p>• Nova Scotia School-to-Work Transition Project - provides in-class training and work experience to high school students and compares results to a control group.</p> <p>• Nova Scotia Links - provides internships for post-secondary students with a strong emphasis on entrepreneurial and volunteer programs.</p>	<p>• East Prince Youth Development Centre - is a "one-stop shop" for youth seeking personal improvement and career development.</p>	<p>• Graduate Employment Program - offers work experience related to studies.</p> <p>• Student Works and Services Program - couples summer work experience with community service.</p> <p>• Linkages - provides career planning and employment for high risk youth.</p>	<p>Yukon</p> <p>• Youth Works Trust Fund - develops work and life skills.</p> <p>NWT</p> <p>• Social Assistance Redesign - Youth Educational Support - supplements social assistance with career training.</p>
<p>Ministry of Education & Training http://www.edu.gov.on.ca/eng/welcome.html</p>	<p>General Inquiries Communication Québec 418-643-1344 Youth Web Site http://www.jeunes.gouv.qc.ca</p>	<p>General Inquiries 506-453-3818</p>	<p>General Inquiries 902-424-4594</p>	<p>General Inquiries 902-368-5908</p>	<p>General Inquiries 709-729-1071</p>	<p>Yukon General Inquiries 867-667-5927</p> <p>NWT General Inquiries 867-920-8921</p>

Examples of Innovative International Youth Employment Initiatives

Ireland: has created an environment where youth employment has decreased from 19% in 1995 to 15.7% in 1997. The strategy involved establishing Ireland as a mecca for software companies such as Intel, Microsoft, and Netscape. By lowering corporate tax rates and investing over \$400 million in high-tech related post-secondary education, Ireland has been able to create a well-educated, work-ready labour force capable of meeting today's demands. A by-product of this revolution is the fact that, for the first time in over 100 years, many young Irish people will not have to leave home to find work. The strategy expects to create over 40,000 jobs a year.

England: The Prince's Youth Business Trust (PYBT) was founded in 1986 to help unemployed youths (18 to 29 years of age) start their own business. PYBT is supported by government and private donations, and is heavily dependent on volunteers who work as business advisors to individual businesses. In the last five years, over 17,000 individuals have received funds for start-up ventures as varied as furniture manufacturing, auto repair, dressmaking, and catering.

Web Site: <http://www.oxlink.co.uk/business/pybt.html>

United States: America's Promise - The Alliance for Youth is a multi-year, national campaign launched at the President's Summit For America's Future in April 1997. The goal is to help young people gain access to five fundamental resources: (1) an ongoing relationship with a caring adult; (2) safe places and structured activities during non-school hours for learning and growing; (3) a healthy start; (4) a marketable skill through effective education; and (5) an opportunity to give back through community service. **Web Site:** <http://www.americaspromise.org>

Examples of Innovative Canadian Youth Employment Initiatives

Career Edge: is a private-sector internship program. Internships are open to graduates of university, college, or high school wishing to spend six, nine or twelve months gaining career experience with an established company in Canada. The cost of hosting an intern for one year is \$17,100 (\$17,500 in BC, MB, QC), plus applicable taxes. This covers all costs including a \$15,000 annual stipend paid to the intern, \$1,500 for payroll taxes (\$1,900 in BC, MB, QC) plus a \$600 administrative fee.

Web Site: <http://www.careeredge.org>

Careers: The Next Generation: works with community employers, educators, parents, and students to link workplace learning with classroom learning by increasing interest and participation in trades, technologies, and other skilled occupations. Teams of employers, educators, parents, and students plan and implement a program that meets the needs of their community. The program builds stronger links between the workplace and the classroom by offering opportunities for co-operative education or alternating periods of study and work. The program also tries to change community values by de-stigmatizing employment in the trades. **Web Site:** <http://www.nextgen.org>

Canadian Youth Business Foundation (CYBF): is modeled after the Prince's Youth Business Trust in England. The CYBF is a non-profit, private-sector initiative designed to provide mentoring, business support, and lending to young Canadian entrepreneurs who are creating new businesses. Youth Business provides an opportunity for major Canadian companies to take a leadership role in the area of small business development, youth self-employment, and economic development. The Business Loan program (one of three core programs developed by Youth Business) provides support services to young entrepreneurs and essential start-up credit to youth with good business ideas who would otherwise not have the resources to start their own business. **Web Site:** <http://www.cybf.ca>

Measuring Success

A Model for Evaluating Youth Employment Programs

In Canada, evaluating the effectiveness of youth employment programs has traditionally fallen under the jurisdiction of the organization or government department which administers the program. In the United States, however, a system used to evaluate effectiveness was created by the National Youth Employment Coalition (NYEC) – a non-governmental organization located in Washington, D.C. (<http://www.ttrc.doleta.gov/pepnet/nyec.html>). Although program administrators have the option of judging whether or not their programs are effective, the NYEC allows for an independent and critical evaluation based on specific variables.

Quality Management: Effective programs for youth result from strong, stable, and competent management by the organization that operates the program. The NYEC believes that management must be engaged, qualified, and

composed of leaders and staff who work as a team. In addition, organizations should use data to continuously improve the program.

Youth Development: The NYEC believes that youth development is demonstrated by a conscious and professional reliance on youth development principles to shape program activities. This includes imparting high expectations in all youth, nurturing caring relationships, and providing holistic service strategies that build responsibility and identity among program participants.

Work Force Development: Effective programs develop skills, knowledge, and competencies which lead to jobs and careers. Work force development includes training, exposure to the workplace, work experience, and an emphasis on the link between school and work.

Evidence of Success: The collection and use of data is crucial. Data analysis allows for an objective assessment of the degree to which a program's goals are being achieved.

FOOD FOR THOUGHT

The restructuring of the welfare state that has marked the 1990s has increased awareness of the importance of contributing to the community. Because contributions to the community often involve non-profit organizations, this sector of the economy has been identified as a possible source of new jobs. Two well-known authors, Jeremy Rifkin and Daniel Yankelovich, offer some insights into the future role of the non-profit sector in job creation.

Jeremy Rifkin: *Job Growth in the Non-Profit Sector*

Jeremy Rifkin suggests in *The End of Work: The Decline of the Global Labor Force and the Dawn of the Post-Market Era* that policy makers should turn their attention to the job creation and career opportunities presented by the non-profit or "third" sector. He argues that some of the employment losses caused by increased mechanization can be made up by encouraging the creation of jobs in the non-profit sector of the economy. He recommends, for example, paying people a "shadow wage" for the time they spend doing volunteer work. Accumulating the social capital needed to move from a "market-oriented vision of the world to a new third-sector perspective" will cost money (Rifkin proposes taxing the wealth generated by Information Age industries); it will also require a reconceptualization of both the social contract and the meaning of work.

Daniel Yankelovich: *Got to Give to Get*

The social capital needed to realize Rifkin's vision can be created by Daniel Yankelovich's concept of **reciprocity**. Yankelovich suggests requiring citizens to reciprocate in advance for services received down the road. In short, you have to give to get. This new social norm provides people with an opportunity to give something back to the community and, in the process, strengthen social bonds and social trust. To actualize the concept, the public has to become conscious of a shift in emphasis away from need-based legal rights ("entitlements") toward the reciprocal obligations of citizens. In this regard, Yankelovich quotes statistics that suggest the American public is open to the idea of reciprocity. If reciprocity takes root, it would improve the chances of transforming the third sector into an engine of job growth.

Rifkin and Yankelovich have presented their arguments to several provincial governments and organizations in Canada, and governments have started to at least consider, and in some cases implement, youth job creation initiatives that engage the potential employment opportunities of the third sector. For example, Ontario recently started its New High School Reform Program which requires that each student complete 40 hours of community involvement prior to graduation. This move by the Government of Ontario may set a precedent for other provinces seeking to reform their educational institutions.

CONCLUSIONS

The debate about youth unemployment is divided into two camps. Some argue that today's youth face the **same** challenges they have always faced entering the job market, and the key to reduced youth unemployment is economic growth and programs that assist youth with the school-to-work transition. Others argue that youth face **different** challenges today because of the changing nature of work caused by globalization and technological innovation.

This debate does not diminish the need for effective youth employment programs and services. The next step is to find ways of judging the effectiveness of programs.

In this regard, preliminary recommendations exist for establishing standards for youth employment programs and services based on a system similar to the National Youth Employment Coalition. Networking organizations in Canada to share information about effective youth employment initiatives is a positive first step.

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This report was written by Andrew J. Mosker. Thanks are extended to CWF staff for their assistance with the final stages of this document. Because of the independence given the author in writing this report, any opinions contained within are those of the author only and do not necessarily reflect the opinions of the Canada West Foundation, its Council, members, or contributors. Permission is hereby granted by the Canada West Foundation to reproduce this report for non-profit educational purposes.