

Youths displaced by economic recession

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An unfortunate side effect of Canada's recent economic recession is beginning to show as university enrolment figures and youth unemployment figures are being tabulated this fall — Canadian youth from the ages of 15 to 25 have no place to go.

The labour force, in these times of high unemployment and the new rash of layoffs (due to President Nixon's import surcharge), cannot accommodate more than 50 percent of the young workers in the job market.

And university enrolment is down all across the country due to the fact that the economic squeeze has caused a severe shortage in summer jobs for students, tighter money in many families of students, and higher university admission standards caused by provincial governments who cannot afford to subsidize universities to the degree that these institutions have become accustomed.

Furthermore, university students are beginning to realize that a college degree is no longer a meek ticket to a cushy job: as the number of college graduates rises, so rises the rate of unemployment among people younger than 25 years of age. And fewer and fewer grads are getting work in their specific field of qualification.

It is also becoming increasingly clear, in the midst of this economic turmoil, that the proliferation of government task forces, economic reports, and brainstorm youth employment schemes, are really an attack on the symptoms of youth unemployment. The disease — a capital-intensive industrial society that is restricted by American control of most Canadian industries — continues its cancerous course unchecked.

So now, after four frustrating years of inflation followed by massive unemployment, the government has set up an interdepartmental study group (the term 'task force' has become passe because of its embarrassing connotations) to form a "brains trust" to study the economy. They will concentrate on high unemployment among youth, and the relationship of this to underenrolment in post-secondary educational institutes.

Projected enrolment for post-secondary institutes this year, you see, was 594,000 students. In reality, the figure is only 519,000. Projected enrolment for universities (excluding the Quebec CEGEP's) was 341,000. But the true figure is less than 300,000.

Where are the missing students? One thing is certain: they aren't in the labour force. Over half of

the 455,000 unemployed persons in Canada today are under 25. This situation has been getting worse for the past ten years: now it is reaching crisis proportions.

In view of this, the Trudeau government has set up its "interdepartmental study group"; but, you may ask, to do what? Yes, it's the same old story: to discover new legislative tricks to cover the problem, and arrive at short term solutions that mend the social fabric briefly, but without ever asking the basic question — why the problem occurred and keeps on recurring.

Enrolment decreases

This year the symptoms of high youth unemployment and low university enrolment are going to be hard to erase. A quick look at the following selected items from last month's daily newspapers quickly dispels the myth that all is right with the national economy:

*Underenrolment at the University of Calgary forced the Board of Governor's there to implement an immediate budget freeze on the hiring of both academic and support staff. The university, with enrolment almost 2,000 below their projection of 10,600, has committed itself to expenditures which could exceed their known resources.

*The unemployment rate for people under 25, despite the federal government's Opportunities for Youth Program and the promised economic upswing, was higher in July (10.8 percent) and August (9.1 percent) this year than a year ago.

*University of Alberta had 1,200 less students than the expected 19,500, and have been subsidized by the provincial government so that they will lose no more than \$500,000 this year.

*The Kingston city council asked the Ontario government to tighten up its welfare legislation when the councillors discovered that 100 of the 301 single men drawing social assistance in that city were under 20 years of age.

*Donald McDonald, president of the Canadian Labour Congress, pointed out that the federal government's "Employee Support Bill" would not help stave off unemployment caused by the U.S. import surcharge. The American government could counteract this immediately by implementing its "Countervailing Tariff Law" which prevents subsidized industries from undercutting American

market prices. And, after all, the States control North American industries and markets, and they're trying to keep unemployment down in their country, too.

*Laurentian University in Sudbury froze its budget for thirty days to study the implications of losing \$1,250,000 when only 2,100 students (100 less than last year) enrolled.

*McMaster University at Waterloo and Carleton University at Ottawa are studying their budgets trying to juggle their finances to keep the books balanced in the face of surprising underenrolment.

These items are an indicator for a widespread tendency among students — they didn't leave the labour market this fall because they either could not afford to go to school fulltime, or else they figured that a university education no longer held the certain potential of financial security.

But half of those students found that while they were still in the job market, they had little chance of breaking into the employed labor force. It's hard trying to sell your labor in a capitalist country in times of recession, and a hard economic lesson was learned by many as they waited in the unemployment office queues.

The summer months are traditionally those with the lowest rate of unemployment. Yet in July 514,000 Canadians (out of a total labor force of 9,068,000) were unemployed, for an unemployment rate of 5.7 percent. And in August, 445,000 (out of 8,972,000) were out of work (5.1 percent).

But the overall unemployment rate is artificial in relation to youth unemployment, which is much higher.

The unemployment rate among workers from 14 to 24 was 10.8 percent during July and 9.1 percent in August. Unemployment among persons over 25 was only 3.5 percent in July and 3.4 percent in August. So government economic policies, while helping older workers, have not created jobs for the young.

When these figures were released in September, Prime Minister Trudeau and Finance Minister Edgar Benson boasted that the government's fight against unemployment was working superbly for workers older than 25. Trudeau's only comment on youth unemployment was that the government did not know enough about youth and "their attitudes towards existing work ethics" to explain the problem.

A few days later the Prime Minister suggested that the problem "is with the teenage group which has entered the labor force" and who, according to him, were not going back to school at their normal rate.

But why are they not going back to school? It's a new phenomenon, Trudeau shrugs, as he sets up another study group to fathom the student mystique. Study groups and task forces put a convenient end to parliamentary dialogue since they provide the stock answer: "Well, it's being looked into."

Unemployment high

It is general knowledge that unemployment hits people in the lower-income bracket the hardest for a variety of reasons. They are unable to compete for many jobs because they lack the education of the other classes (now, there's a vicious circle that could use a task force). Thus, they are the most expendable and the least able to protect themselves.

But what few people realize is that unemployment is also a serious problem among those under 25. Even when the Canadian economy is going full-tilt at near-zero unemployment, the young are beset by consistently high unemployment. Youth unemployment, for the past twenty years, has been an average of 100 percent higher than the national average.

This discrepancy has been getting greater during the past decade as the ratio of youth unemployment to overall unemployment has risen slowly but steadily.

Couple this with the fact that overall unemployment has been getting worse and worse over the past decade (last year's national unemployment rate of 5.9 percent is the highest since 1962), and the problem facing today's youthful worker becomes clear.

A quick breakdown: unemployment among males from 14 to 19 last year was at 15.0 percent, the highest since 1961; among males 20-24 it was 10.5 percent (the highest since 1961); among females 14-

19 it was 11.4 percent (the highest ever); and among females 20-24 it was 5.1 percent (the highest ever).

This year the figures to August are even higher, creating a bleak picture for those young people who hope to break into the job market for the first time this year.

But all these statistics are from Statistics Canada's conservative reports. There is also a large percentage of youths who constitute a hidden or disguised unemployment group.

When the Canadian economy is on a downswing (a situation that happens with frightening regularity) and there are fewer jobs, a significant number of young people, especially females, withdraw from active participation in the labour force. Some of these people return to school, some leave to see the world, but most are classified by Statistics Canada as "retired" — i.e., neither working nor seeking work.

This factor raises the true unemployment figures for youth by two or three full percentage points. For example, the unemployment rate for males aged 14 to 19 in March 1971 was listed at 17.5 percent. In reality, the percentage was about 22.6 unemployed.

So you might ask, if the labor market is so bad, why don't they go back to school? Unfortunately, when the economy slumps, that option gets removed as well. Universities have only three sources of income: students, government and industry. If the economy is slow, government and industry tighten their belts and dish out fewer riches to universities.

And universities, with smaller subsidies, have to limit enrolment by raising admission standards, or else raise tuition fees so that students themselves have to pay more. While all this is going on, of course, the would-be student cannot find a summer job and thus has no money.

Jobs essential

Universities base their projected enrolment on their own figures and the statistics of the Economic Council of Canada and Statistics Canada. Most universities then commit themselves to their annual expenditures on that basis. They count on tuition fees per student and on government subsidies which are also allotted to the university per student enrolment.

More than one budget had to be reshuffled this fall when actual enrolment figures were discovered to be much lower than the universities had budgeted for. The main topic which the Association of Universities and Colleges of Canada (AUCC) held their directors meeting in late September was under-enrolment.

Davidson Dunton, president of Carleton University in Ottawa and president of AUCC, commented after the meeting that cross-country enrolment was significantly below the universities' estimations. "In western Canada as a whole, enrolment will not be above what it was last year, much less than what was projected," he said.

The AUCC found from their members that enrolment was not only falling off in freshman year, but large numbers of upper year students were also dropping out of university. The only two provinces in Canada whose university enrolment lived up to projections were Nova Scotia and Newfoundland.

Had the AUCC correlated rising summer unemployment with lowering university enrolment (university enrolment overall isn't really falling off; the ratio of the total student population to the number of qualified potential students is), they would have found little to be surprised about.

A close inspection of summer unemployment figures shows that summer job opportunities have been deteriorating consistently since 1968. And "make work" schemes by the federal government, like Opportunities for Youth, are no lasting solution to this problem.

Every summer since 1968 the total numbers of teenagers employed has decreased from the previous year, while every summer has seen an increase in the number of teenagers looking for jobs. This trend will inevitably continue because the seasonal demands of the Canadian economy cannot possibly absorb the hordes of unskilled university students who seek employment each summer.

Summer savings is the single biggest factor in financing education. Over 40 percent of all university educational expenses for students are derived from summer employment. Thus it becomes imperative for most students, particularly

those from poorer families, to find work during their four month summer vacation.

When unemployment among students reached serious proportions in the summer of 1968, the federal government set up a task force (oh, no!) to investigate and report.

Their report was the cornerstone for the 1969 summer program which included a \$259,000 "hire-a-student" publicity campaign, the hiring of 450 special student counsellors for Manpower centres, an increase of ten percent in federal government student hiring, and a 50 percent reduction in the number of foreign students allowed to work in Canada.

Student unemployment rose again that summer (an average of two full percentage points all across the country) and continued rising in the summer of 1970. The government, it seems, just didn't understand: gimmickry and short term "make work" programs were not going to work. Student employment had to be considered part of the overall economy; measures had to be taken that would encompass the entire economic situation in this country.

Then, in the spring of 1971, the government had another brainstorm. They would keep the student unemployment problem in isolation, and unleash a \$23.3 million windfall from the Secretary of State's office under the guise of "Opportunities for Youth".

More than 27,000 kids spent the summer picking up garbage in parks, creating community newspapers and journals, doing research on community planning and pollution, and using up \$23.3 million in non-permanent and generally counterproductive ways. (There were exceptions; some very productive projects were carried out.)

Has it worked? Of course not: youth unemployment this summer was higher than ever. What OFY did accomplish, though, was to keep Canada fairly quiet as student radicals were co-opted into the federal bureaucracy.

The economic octopus was again overlooked as the government sought new ways to cut off the unemployment tentacles. The foreign-controlled capitalist disease worsened.

The final crushing blow came when President Nixon announced the import surcharge and it became more and more obvious that Canadians were going to lose jobs because of it. A shaky domestic economy was compounded by the fact that the whim of foreign domination came to the fore.

Faced with this turmoil, the government set up its inter-departmental study group to keep youth unemployment out of the newspapers.

Solution far-off

There ARE reasons for youth unemployment. And the government is going to have to face up to them before it is too late. Because, as Mel Watkins says, when middle class university educated students cannot find work, all hell is going to break loose.

These reasons are connected fully to the basic definitions of university education and employment. When North American society continues on the basis of four-years-of-liberal-education-for-everyone and then throws the unskilled graduate into the labor force to sell his labor, then there are going to be problems whenever the economic situation is below normal.

There are too many college degrees on the job market today: everyone wants to be an intellectual and nobody wants to be a worker. Over the past ten years, enrolment in Canadian universities doubled to about 299,000 but this increase in the level of education has not resulted in full employment and better jobs for grads.

Quite the opposite, in 1969 when a record 66,000 degrees were issued, the total number of graduates hired actually declined, especially among graduates from the arts.

Why are Canadian graduates unemployable? The answer to this is again to be found in an overview of our national economics. Lack of research cuts down on the employment potential of industry. Most Canadian industries are no more than branch plants of American corporations, and most of the research done by these corporations is done in the U.S.



heavy influx of foreign professors keep research and teaching positions few and far between.

And with a university degree, particularly on the masters or doctoral level, the job market looks pretty gloomy when there are no opportunities for teaching and research.

There are also reasons why young people without degrees do not get jobs. Other than the young workers themselves being choosy about jobs (after all, they usually don't have families to support), workers under 25 do not have any seniority rights in industry and they are rarely unionized.

So they tend to get hired for short term work, by construction firms or by companies with unpredictable seasonal fluctuations; and in times of recession they are the first to be laid off.

Canada Manpower Centres, while providing a good service, are generally ignored by students who do not realize Manpower's potential in the labor market. Students have not yet identified Manpower as a social service agency and consequently less than 10 percent of students receiving summer employment find their jobs through the Manpower Centres.

Unless students have attended a polytechnical institute or a vocational school, they find it almost impossible to benefit from apprenticeship programs, training in industry, or the government's Occupational Training for Adults (OTA) program.

Let's consider the OTA program first. The program, set up in 1967, is a combined educational-industrial package, funded by federal and provincial governments, that includes academic upgrading and technical training. The problem for youth? To qualify for the training allowance, applicants must have been in the labor force for three years. Very few university dropouts can claim this experience.

Apprenticeship programs offer an equally dismal outlook. Applicants for these programs are selected and certified by provincial labor departments and in order to qualify they must already be employed. Oh, come now, if a young worker already has a job in these times of unemployment, then retraining him is not going to offer employment to those who need it. Why not offer apprenticeship programs to unskilled and unemployed youth?

The third scheme is training in industry. Under this program, the federal government contracts with private employers to hire trainees or retrain employees. The employer chooses the candidates and the federal government pays the cost. Unfortunately this scheme sees more old employees getting retrained than new workers getting hired and trained.

So, all in all, there isn't much hope for potential workers with a full or partial university education. And government employment schemes and economic policies are primarily to blame for this crisis.

Can Trudeau's new interdepartmental study group get to the roots of this problem? Let's take a quick look at their initial proposals:

They hope to offer incentives to industry to provide on-the-job training and to make changes in the rules on manpower training to allow young people to enroll in the programs. This proposal, if carried out, would be welcomed by most unemployed youth.

They hope to create local construction projects along the lines of the now-abandoned "winter works projects", and set up a loan fund to finance provincial construction schemes. Again, this would be an impermanent solution — what happens to the non-unionized young workers who have no seniority rights after the construction boom is over?

They have given no indication that the utilitarian function of the university (versus the utilitarian function of the technical or vocational college) will be considered.

And they still insist that youth unemployment is an isolated problem, not connected with the national and international economic picture.

The study group's report, due in late October, will, if adopted as federal legislation, only provide another short term assault on youth unemployment. Next summer, wait and see, will find even higher unemployment among people under 25 years of age.

The problem, Mr. Trudeau, is only going to be solved when we take a long, serious re-assessment of Canadian economics and education. But that solution will be a long time in coming, because it runs against the grain of the entire reformist type of government that Canada has today.

