

Outlook for '93: Unemployment

by Jon Richert, (CUP)

Students who found it hard to get jobs last summer will be disappointed to learn that next summer will likely be even worse, according to a faculty member of the Brandon University Economics department.

Errol Black, Associate Professor of Economics, believes that government cutbacks and increased enrollment at post-secondary institutions means that "competition for jobs [this coming summer] is going to be more intense."

In the last two years, enrollment at community colleges in Ontario has increased by 20,000, says a report from Statistics Canada. The reports also stated that this trend was mirrored at universities and colleges across this nation.

Rising enrollment rates at college and university translates into more people entering the job market with diplomas and degrees, making competition to find work more fierce. Almost one quarter of those who gave up looking for jobs last summer had at least some post-secondary education, compared with only 14% in the 82-83 recession period.

Students suffered the most from the increased competition for jobs. Unemployment rates for returning students, aged 15-24, averaged 17.9% from May - August in 1992, whereas the national average for adults 25 years or over stayed around 10% during this time. Two reasons for this trend, suggest Prof. Black, is that young people are entering the labour market at a bad time (ie. in a downturn of the economy), and the way that layoffs work: last one in is first one out.

The best way to guard yourself against this system is to acquire skills that are valued by your

employer. She can let go of unskilled people first, because she knows that unskilled workers can always be picked up again at a time when the economy is in better shape. Skilled people will likely be hung onto, unless she can be sure that the same skilled worker will come back to the company.

What is the reason for this high rate of unemployment? Prof. Black lays the blame squarely on the shoulders of the federal and provincial governments. It is the responsibility of the federal government to stimulate the national economy. "Job creation is an important step in this process," he states, "and this government has shown little inclination to create jobs."

For example, federal funding for the Summer Employment and Experience Development (SEED) programme in 1985, one year after the Mulroney government came to power, was \$149.7 million. In 1992, after seven years of Conservative majority rule, federal funding has dropped to \$83 million. Government cutbacks have taken their toll on the Challenge and Career Start

programmes, and have resulted in the death of many others, such as Youth Action.

At the same time, public spending cutbacks to post-secondary education, which began with the introduction of Bill C-69 in 1990, have meant soaring tuition costs for university and college students across the nation.

"What the government should be doing," believes Prof. Black, "is creating programmes to put money into local economies." It can accomplish this by hiring more students for community works projects, such as road maintenance and care for the elderly. Providing money for universities to hire students as research assistants to its professors is another example of constructive government job creation.

About three summers ago, Prof. Black remembers, some students would get paid by the government for doing their topics courses. The amount of students involved with that programme were few, he admits, but he stated that he "would have thought that based on the results [of the programme], there would have been more of that available."

For their part, young people entering the labour market have some advantages over their counterparts of the past. More degrees means more job hunters who have demonstrated an ability to think, to acquire information and present it in a coherent way, and to learn new skills.

Students are also more prepared to adapt to the market. Although high expectations for getting "good" jobs after graduation may have been created by the healthy years after the 82-83 recession, students are willing to accept that they might have to start low and work their way up. Or, as Prof. Black puts it, "you hit the labour market, and the good jobs aren't there, the high income isn't there, you adapt. People have been doing that and will continue to do that."

What are the new secrets of success, in an economy where jobs are growing scarce and competition for them is growing more intense? "Good marks and good recommendations from faculty members," says Prof. Black, "are the things that are going to get the best results." ■

(the Quill)

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