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# Submission to the Pre-Budget Consultation in Advance of the 2017 Budget

Mines Action Canada

# **Executive Summary**

Mines Action Canada (MAC) is pleased to provide its recommendations for the upcoming 2017 Federal Budget. Our recommendation aligns with the Government's priority to *create jobs and set the right conditions for long-term prosperity and stronger economic growth.* We look forward to working with you to bring these initiatives to fruition.

Youth unemployment and underemployment is an issue that threatens the current and future growth of Canada's economy. Many recent graduates and current students have difficulty finding gainful employment or employment in their field of study. This loss of opportunity wastes the skills and potential of Canada's highly educated youth. Their unemployment and underemployment also weakens Canada's economy by squandering precious human capital.

Youth represent the next generation of Canada's labour force, and their unemployment and underemployment will likely result in lower expected life-time earnings and can lead to an increased risk of poverty, de-skilling and social exclusion, as well as loss of motivation and mental health issues. Fiscally, this labour market situation could translate into lower lifetime earnings for youth, and smaller tax-base from which to support Canada's aging population heading towards retirement.

The International Youth Internship Program (IYIP) has been an integral part of the Government of Canada's Youth Employment Strategy, which addresses the issues of youth underemployment, and international experience building. It provides Canadian youth with the tools, skills and experience they need to launch successful careers in an increasing globalized world.

Through IYIP, MAC has previously offered international internship placements with its partner organizations in the global movement to ban landmines, cluster munitions and advocate for the rights of persons with disabilities. Young Professionals (YPs) work in diverse environments to increase the capacity of international partners and gain valuable career-related work experience.

In this submission, we recommend the following initiative:

• Invest in Canada's youth by continuing to fund and expand the International Youth Internship Program

#### Who We Are

Mines Action Canada (MAC) is a Canadian non-governmental organization founded in 1994. MAC is an international leader working to eliminate the serious humanitarian, environmental and developmental consequences of indiscriminate weapons. It works to reduce lethal barriers to development such as landmines, cluster munitions, and explosive remnants of war (ERW). It is the Canadian partner of the International Campaign to Ban Landmines (ICBL), the 1997 co-recipient of the Nobel Peace Prize. In 2017, we are celebrating the 20<sup>th</sup> anniversary of the Ottawa Treaty, one of the most successful international disarmament treaties to this day. MAC is also a founding member of the Cluster Munition Coalition (CMC).

### **Defining the Issue**

Economic theory and empirical evidence show that a nation's human capital endowment – the stock of competencies, knowledge and social personal attributes, including creativity – is an important determinant of wages and wage growth, firm productivity, and overall economic growth and competitiveness.<sup>1</sup>

Youth unemployment and underemployment is an issue that threatens the economic growth of Canada's economy. Many recent graduates and current students have difficulty finding gainful employment or employment in their field of study.

A recent PBO Labour Market Assessment of 2015 has pointed to a severe mismatch among young Canadians between their levels of education the quality of jobs available to them. It has estimated that 40 per cent of young Canadian graduates are overqualified for the work they do.<sup>2</sup> This is a significant loss for both the individual and society.

Youth represents the next generation of Canada's labour force and thus their unemployment and underemployment is a loss for Canada's labour market now and in the future. Youth unemployment and underemployment can lead to an increased risk of poverty, de-skilling and social exclusion, as well as loss of motivation, and mental health issues. <sup>3</sup> Fiscally, this labour market situation could translate into lower lifetime earnings for youth, and a smaller tax-base from which to support Canada's aging population heading towards retirement.

<sup>&</sup>lt;sup>1</sup> Florian Schütt, 2003, "The Importance of Human Capital for Economic Growth", Institute for World Economics and International Management

<sup>&</sup>lt;sup>2</sup> Parliamentary Budget Officer, Labour Market Assessment 2015, posted at

http://www.pbodpb.gc.ca/web/default/files/Documents/Reports/2015/Labour%202015/Labour\_Market\_Assessme nt\_2015\_EN.pdf

<sup>&</sup>lt;sup>3</sup> Vena Nedeljkovic, 2014, "Consequences of High Youth Unemployment " posted at

http://www.bridgingeurope.net/consequences-of-high-youth-unemployment.html

### The Role of the International Youth Internships

The International Youth Internship Program (IYIP) has been a key part of the Government of Canada's Youth Employment Strategy, which addresses the issues of youth underemployment, and building of international experience. It provides Canadian youth with the tools and skills they need to launch successful careers.

The IYIP is designed to offer Canadian post-secondary graduates the opportunity to gain professional experience through international development work. The objective of the IYIP is to support sustainable international development initiatives, proposed in partnership with local partner organizations, by Canadian professional associations, educational institutions, non-governmental organizations and private companies.

#### **MAC's Internship Program**

Given Canada's historic leadership in the creation of the Ottawa Treaty, and with the upcoming 20<sup>th</sup> anniversary of the signing of the treaty in 2017, Canada should seize this opportunity and once again return to its position as a main donor and assist the Campaigns goal to **Finish the Job** of eliminating landmines by 2025.

One integral part global effort is the provision of victim-assistance and educational programs familiarizing affected communities with the dangers associated with these indiscriminate weapons. Here, MAC has sponsored international internship placements with its partner organizations in the global movement to ban landmines. Our Young Professionals (YPs) work in diverse environments to strengthen the capacity of international partners and gain valuable and unique career-related work experience. In a globalised economy such experiences are invaluable.

Over the years our YPs have gained numerous skills and experiences which dramatically improved their employability in Canada and overseas. Professional writing, researching and reporting were the most common skills developed. YPs wrote numerous project proposals, public relations documents, speeches, correspondence, reports to donors, and strategic plans. YPs also developed skills in event planning, public speaking, communications, media relations, diplomacy, strategic planning, negotiation, international relations, translation and workshop facilitation.

As a result of these internships, the YPs have unique experiences that will set them apart in the Canadian job market while ensuring that they are memorable and capable applicants. YPs have organized trainings in rural areas, drafted reports and proposals for UN agencies and various governments, distributed non-food aid to landmine and cluster munitions survivors and their families, participated in international diplomatic conferences, and helped with campaign launches. These experiences all contained a high level of responsibility and taught transferable skills. Participants in the program develop valuable networks leading to great jobs in Canada and abroad, while at the same time being effective "ambassadors" for Canada around the world.

## Conclusion

Gaining international experience is more important than ever in a globalized world, even for people not working directly in international development. This kind of experience is well recognized in the labour market, even when not directly linked to the job for which the individual is applying.

Canada can help set its youth apart in the domestic and international labour market by providing them the opportunity to learn valuable skills, gain new experiences and expand their social and professional networks in ways to will serve them and their country well throughout their professional career.

Such continued investment in our current and future generations will have positive effects on Canada's economy by strengthening and improving our labour force and increasing our tax-base.

### Recommendation

Mines Action Canada, therefore, recommends that Canada should continue to invest in its youth by expanding its current funding to the International Youth Internship Program implemented by Global Affairs Canada.

### **Final Remarks**

Mines Action Canada is grateful to the House of Commons Finance Committee for the opportunity to submit these recommendations for consideration in the next federal budget. Should the Committee seek any clarification on this submission, please contact the following:

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