Engaging young people not in education, employment or training

The case for a Youth Resolution



### Engaging young people not in education, employment or training **The case for a Youth Resolution**

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## Introduction

Being outside education, employment and training for significant periods of time during youth and early adulthood can have serious consequences, and the so-called scarring effects of exclusion at this crucial stage in life are welldocumented. Young people from poorer backgrounds are particularly at risk, and the intergenerational persistence of disadvantage continues to be demonstrated in large-scale quantitative studies (Bukodi, Erikson and Goldthorpe 2013). It is well established that young people's attainment in education and training is a crucial factor in making successful transitions to adulthood, and that for vulnerable young people with complex needs substantial support may be necessary before they can even begin to address their skills needs. In these respects, much progress has been made in the last fifteen years, including policies which have focused on increasing participation in post-compulsory education and in providing opportunities for young people to gain experience of work. However, the limitations of interventions which focus on supply-side issues such as improving skills and raising aspirations have become increasingly evident. This report argues that greater attention needs to be paid to the role of employers and other agencies, urging that a shared commitment to the development needs of young people is the best way forward.

The report begins by placing the issue of NEET young people within the broader context of social change, showing how structural factors have made the transitions of all young people, but particularly those who may be thought of as vulnerable, more difficult and complex. The report goes on to discuss what is known about NEET young people, and the particular challenges that they face; it highlights some of the advantages and disadvantages of the NEET category in policy terms, and begins to address the tensions between supply-side and demand-side factors. These tensions are explored in more detail in the following section, which highlights some of the inadequacies of the way that interventions are currently conceptualised. The final section examines possible ways forward, contrasting market-driven and regulatory approaches and proposing a compact between employers, training providers, voluntary organisations and local authorities as a new way of thinking about the relationships between these stakeholders. The aim of this Youth Resolution would be to provide young people with an expectation of high-quality training and work experience recognised by local employers, and improved prospects of sustainable employment for the future. Appendix A sets out the practical application of the Youth Resolution at local authority level.

# NEET young people The rise of a problem category



For three decades after the end of World War Two, for most young people, the transition into adulthood was relatively straightforward.

Most left school and entered work at the earliest opportunity, usually followed in fairly rapid sequence by leaving home, marriage and starting a family.

For three decades after the end of World War Two, for most young people, the transition into adulthood was relatively straightforward. Although pockets of unemployment existed in certain parts of the UK, usually school leavers were able to secure work in line with their ambitions and expectations. Whilst a small minority of mainly white, middle-class young people went on to university, and day-release study to a technical college was often part of an apprenticeship programme, for the majority of young people, post-compulsory education and training was rare. Most left school and entered work at the earliest opportunity, usually followed in fairly rapid sequence by leaving home, marriage and starting a family (Jones 2009). Young men especially would often start work alongside their schoolmates and it was not unusual for them to be employed in the same factory, mine or mill as other members of their family. Industrial culture was predominantly masculine but millions of girls and women were also employed as machine operatives and manual workers on factory production lines as well as in administrative and ancillary roles. Either way, workplace relations were often associated with certain forms of camaraderie and class-based solidarity, and employment alongside older workers provided a disciplinary framework for many young people. Working life offered a degree of stability and continuity that, for most young people, simply does not exist today.

It is tempting to look back at the post-war decades with fondness but it is important to recognise that oppression and intolerance was also part and parcel of life at that time. Various forms of prejudice were commonplace, and girls and women suffered from overt discrimination in the workplace and elsewhere. Whilst, in some ways, young people enjoyed a relatively privileged labour market position, they were also often subject to workplace bullying, abuse and humiliation. Factory life was a bleak and alienating experience for many (Beynon 1973). Although most young people were eager to leave school, not all settled easily into working life, and the ready availability of employment masked the way some young people 'churned' chronically from job to job (Finn 1987, p. 1987). Nevertheless, the journey from youth into adulthood is generally far more complex and convoluted today than was the case in previous generations and secure employment has become difficult to obtain, especially for those with few formal Working life offered a degree of stability and continuity that, for most young people, simply does not exist today. qualifications. For many young people, achieving the traditional signifiers of adulthood has become disordered or suspended – sometimes indefinitely (Ainley and Allen 2010). In many ways, these changes have been driven by the collapse of much of the UK's industrial base and the demise of the traditional youth labour market. But, whilst de-industrialisation has been accompanied by much pain and suffering, especially in working-class communities, it is important to understand its causes as well as its effects.

According to some conceptions, the collapse of British industry which took place from the 1970s onwards was almost inevitable. The development of new technology, the disappearance of protected export markets associated with the end of Empire, and growing international competition, especially from nations with much lower labour costs, meant that a degree of industrial contraction, especially in terms of employment, was probably unavoidable. There were, however, other forces at work and militant trade unions, incompetent managers, and a culture of complacency are also often seen as causes of the UK's industrial decline. But this is not the full story either. On the one hand, successive governments were accused of propping up uncompetitive manufacturers producing poor-quality goods whilst, on the other hand, policy decisions often favoured finance capital to the detriment of manufacturing industry, even in the 1950s and 1960s (Sandbrook 2013). Either way, manufacturing output as a proportion of gross domestic product has fallen substantially since the 1970s, and the number of workers in manufacturing industry has shrunken even more dramatically.

Radical changes in the political environment have also played an important part in the decline of the UK's industrial base. Although there were different emphases depending upon which political party was in power, for three decades after the end of the Second World War government generally attempted to run the economy in partnership with industry and the trade unions. By the end of the 1960s, however, the UK's economic troubles were becoming increasingly apparent and the uneasy consensus began to collapse after the oil crisis of 1973 (Ainley 2007). Margaret Thatcher's election as prime minister in the aftermath of the 'Winter of Discontent' of 1978-79 signalled the beginning of a new era. Social democracy and consensus politics were replaced with individualism, entrepreneurialism, and economic monetarism. Neo-liberalism came to dominate the political and economic landscape of the United Kingdom.

All this had serious consequences for British industry and almost a quarter of all manufacturing jobs were lost during Mrs Thatcher's first term of office. A further 400,000 manufacturing jobs were lost following the deep recession of 2008-09, and employment in manufacturing has struggled to recover from its low point of under 2.6 million in 2011. Today 83 per cent of all employment in the UK is located in the service sector (ONS 2013). Far-reaching changes in the nature of work and the economy have been accompanied by a number of other social changes, including increased expectations and rights for women; dramatically increased levels of migration; and the declining cultural and political significance of many working-class institutions, including trade unions, workingmen's clubs, and the co-operative movement. These and other changes, including increased

Today, when good quality, secure employment is increasingly scarce, being out of work is often seen as a result of individual deficits rather than as a consequence of a lack of labour market opportunities. home ownership, rapid developments in information technology and the growth of popular consumerism mean that today young people often interpret the social world in highly personalised and individualistic ways – although it is important to note that their life chances are still affected by the enabling and constraining effects of gender, ethnicity and especially social class (Rainbird 2000).

Although teenagers were an integral part of the workforce for much of the twentieth century, by the mid-1980s, over half of all 16 and 17 year olds were unemployed. Consequently, a range of work-related training programmes were introduced in an attempt to both manage and disguise youth unemployment (Finn 1987, p. 49). The Youth Opportunities Programme (YOP) was the first of these schemes which became a familiar - if unpopular - part of the labour market during the 1980s and 1990s. A scarcity of jobs meant that participation in postcompulsory education and training became normalised during this period, although the poor reputation of YOP and similar schemes meant that many young people chose to stay on at school or enrol on full-time courses at FE colleges instead of government-led training programmes. Meanwhile, the availability of welfare benefits for 16-18 year olds was progressively cut back. In 1983, benefit sanctions were instigated for those who refused a place on the newly introduced Youth Training Scheme, and access to other benefits was reduced for young people in education. In 1988, 16 and 17 year olds were effectively disqualified from receiving unemployment benefit, and the Social Security Act ended the entitlement to means-tested benefit payments for most young people under the age of 18. Such changes helped to disguise levels of worklessness but, whilst young people without jobs ceased to be officially classified as unemployed, policymakers were left searching for new ways of describing youth unemployment (Furlong 2006).

In the early 1990s, 'Status O', a classification deriving from careers service records, began to be used in some circles to describe 16-18 year olds outside education and work (Istance et al. 1994), although the negative connotations associated with this label meant that government was, perhaps understandably, not keen to adopt this terminology. According to Williamson (2010), in 1996 a Home Office official proposed 'not in education, employment or training' as a more neutral alternative to Status O, and thereafter the acronym NEET entered the lexicon of policy discourse. But, whilst the need to create a technically accurate and at least ostensibly neutral term to describe youth unemployment led to the adoption of NEET as an official classification, it is undoubtedly also an ideologically loaded term. Whilst traditional understandings of youth unemployment are rooted, at least to some extent, in a sense of collectivism and social responsibility, the designation of young people outside education and work as NEET individualises non-participation and tends to overlook social and economic inequalities. In post-war Britain, poverty and unemployment were generally understood as a social injustice which required a collective response. Yet today, a time when good quality, secure employment is increasingly scarce, being out of work is often seen as a result of individual deficits rather than as a consequence of a lack of labour market opportunities.

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## **Being NEET**



One difficulty with NEET as a categorisation is that it lumps together a wide range of individuals from diverse backgrounds and, in doing so, defines young people by what they are not, rather than who they are.

Whilst the term NEET was originally created to describe 16-18-year-olds outside education, employment and training, nowadays it is often used in relation to young people up to the age of 24. This shift carries with it certain consequences. One difficulty with NEET as a categorisation is that it lumps together a wide range of individuals from diverse backgrounds and circumstances under one grouping and, in doing so, defines young people by what they are not, rather than who they are (Yates and Payne 2006; Spielhofer et al. 2009). This was always problematic even when NEET was applied only to young people up to the age of 18 but describing all 16-24 year olds outside education and work as NEET has significant consequences for the conceptual clarity and explanatory power of the term. Whilst the NEET category has always contained a diverse range of individuals with different needs and circumstances, its population is now very heterogeneous and includes, for example, graduates trying to find work after leaving university and married mothers in their early 20s with partners in full-time employment, as well as 16 and 17 year olds with few qualifications and no experience of work. Leaving this aside, another rather obvious consequence of broadening the usage of the term NEET is that a far greater number of individuals are drawn into the category than was the case hitherto, and the number of young people officially classified as NEET has hovered at around one million for a number of years. This presents a dilemma for policymakers. On the one hand, applying the term NEET to a greater range of young people allows the responsibility for unemployment to be shifted, at least tacitly, onto a greater range of individuals. But, on the other hand, this re-categorisation has meant that national NEET statistics are at headline grabbing levels, and consequently youth unemployment has become a particularly hot potato.

In order to make any sense of the term NEET – both as a category and as a policy discourse – it is therefore necessary to unpick the characteristics of the NEET population. There have been a number of attempts to do this, all of which organise young people outside education and work according to various objective or subjective conditions, or circumstances and break the NEET category people down into subgroups such as those seeking work, young parents, young offenders, or those with a disability or illness (DCSF, 2009: 12). To a certain extent,

Those from deprived backgrounds are more likely to become NEET than other young people and sustained experience of being NEET is often associated with a range of social problems.

There is a scarring effect associated with being NEET, especially for those who spend substantial periods of time outside education and the labour market. disaggregating the NEET population in this way refines our understanding of the category and, over time, various government-led initiatives have been devised as a consequence of doing this (see, for example, Scottish Executive, 2006; Spielhofer et al. 2009). It is, however, important to recognise that individuals with common experiences or characteristics are not necessarily members of a homogeneous sub-group (Finlay et al. 2010). Whilst, for example, young people with caring responsibilities share a particular circumstance, they are likely to experience and view their situation in diverse ways, and to require different forms of support (Russell et al. 2011). Also young people do not always fall neatly into one category or another – it is quite possible, for example, that a young offender is also a looked after care leaver, and may be a young parent too. We should also remember that the majority of NEET young people are outside education and work for fairly short periods of time – for most, being NEET is intermixed with periods of education, training or employment, even if participation is short-term (Furlong, 2006).

Given the complexity and definitional issues associated with the NEET category it is tempting to dismiss it as a meaningless policy discourse - but this is not the case. In spite of its shortcomings, the term NEET provides a reference point from which to critique inequality and, for most young people, being outside education and employment is not only a consequence of poverty and disadvantage, but increases the likelihood of more sustained social exclusion (Simmons and Thompson, 2011). Despite the highly complicated make-up of the category, those from deprived backgrounds are more likely to become NEET than other young people and sustained experience of being NEET is often associated with a range of social problems. Research carried out on behalf of the UCU shows being NEET is often associated with isolation, depression, anxiety and a range of negative habits such as smoking and overeating (UCU 2013). It is also linked to a greater risk of long-term unemployment, an increased likelihood of involvement in crime, and other sustained disadvantages. There is, in other words, a scarring effect associated with being NEET, especially for those who spend substantial periods of time outside education and the labour market (Scarpetta et al. 2010).

NEET as a policy discourse tends to locate the responsibility for unemployment within the individual rather than as deriving from broader economic and labour market conditions. There is, in other words, an implicit assumption that there is something inherently problematic with NEET young people. This is accompanied by assertions about the nature of employment and the economy whereby both individual well-being and national competitiveness are argued to be dependent on the skills, abilities and aptitudes of the individual worker (Avis 2009). Flowing from this position, over the years, a series of government-led initiatives have attempted to engage or re-engage NEET young people, particularly through various forms of pre-vocational and work-based learning. Over time, numerous training courses have been launched and re-launched and, although the names of these schemes often change, essentially they share the same aims: to increase the 'employability' of young people. Or, in other words, they attempt to equip participants with attitudes and qualities deemed necessary to compete successfully in the labour market (Simmons and Thompson 2011).

# Individual characteristics or labour market conditions?



The UCU research shows that over two-thirds of NEET young people who participated in the study want to be in work. At least superficially, the results of the aforementioned UCU survey seem to confirm the discourse of deficit which surrounds NEET young people. The research reveals that almost half of those who took part in the study lack self-confidence and feel hopeless about the future. It also shows that a third of respondents felt they had no chance of ever getting a job. It is, however, worth pausing to consider these findings before we dismiss all NEET young people as negative and defeatist. First, it is important to remember that even seemingly highly personalised attitudes and behaviour often derive as much from social and environmental constraints as from any inherent individual gualities or dispositions; and, in many ways, it is quite unsurprising that many NEET young people are pessimistic about the future - in fact, given their circumstances, it would be remarkable if most were optimistic. Second, mirroring our own research (see, for example, Simmons, Thompson and Russell 2014) and that of others (for example Shildrick et al. 2012), the survey also shows that most marginalised and excluded young people actually have quite mainstream attitudes, opinions and ambitions. Whilst many have low expectations, most do not have low aspirations.

The UCU research shows that over two-thirds of NEET young people who participated in the study want to be in work. It also reveals that, whilst 20 per cent of those taking part in the survey had no formal qualifications, over 60 per cent have Level 2 and 3 qualifications and 17 per cent have a first degree or higher qualification. Moreover, 89per cent and 73per cent of respondents respectively believe their ability in English and mathematics is at least good, and 92per cent think their computer skills are either good or excellent. The most significant barriers to participation reported relate to lack of meaningful labour market opportunities, such as a shortage of suitable jobs (28 per cent) and a lack of work experience (47 per cent), whereas only 17per cent felt that their skills and qualifications were the main barrier to participation (UCU 2013). Yet, despite this, policymakers have tended to respond to youth unemployment by encouraging young people to either remain in or return to education. In some ways, this is understandable: educational achievement is, after all, an important factor in individual social mobility. But without the stimulation of the demand for work, any educational intervention is limited in the degree of social change it can

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As competition for employment intensifies, many young people encounter a 'Catch 22': without experience they cannot find work; without work they cannot accumulate experience. produce - however robust or well-delivered a particular training course may be.

In some ways, the reasons why young people find it difficult to gain a foothold in the labour market are obvious: school leavers in particular are likely to have lower levels of qualification and to lack experience of the world of work, and may lack the qualities which older workers are likely to bring. As competition for employment intensifies, many young people encounter a 'Catch 22': without experience they cannot find work; without work they cannot accumulate experience. Nevertheless, it is important to note that skills panics over the supposed lack of 'work-readiness' on the part of young people – whether leaving school, college or university – appear to be exaggerated. In a large-scale survey of employers across the UK, 59 per cent of companies in England, Northern Ireland and Wales who had recruited 16 year old school leavers found them to be well-prepared for work, rising to 82 per cent of those recruiting from institutions of higher education (UKCES 2012).

For older school leavers and those leaving further education, satisfaction was between these levels, at 64 per cent and 72 per cent respectively. For the majority of young people, their work-readiness is therefore less of an issue than competition for employment affecting all age groups; that is, their suitability for employment is an issue of relative rather than absolute employability:

For some employers the sheer volume and calibre of candidates available allowed them to raise their recruitment standards. This has the effect of further disadvantaging low skill candidates and bars candidates who would have been acceptable in the past ... [However,] while tackling employability issues is important, there is a risk that employability skills become over-stated as an issue in tackling youth unemployment. (UKCES 2011: 19)

The most vulnerable young people – those having challenging personal circumstances, and those with low skill levels and lacking in qualifications, are the most affected, being increasingly cast adrift at the bottom of the attainment distribution. Indeed, research in a range of OECD countries shows that obtaining work with poor terms and conditions, job insecurity and a lack of progression opportunities is even more likely for NEET young people than for others (Scarpetta et al. 2010).

Young people often draw on family, friends and other social networks for advice and information on finding work. However, particularly among young people from working-class backgrounds, this often leads to traditional – and now arguably ineffective – job-search strategies (Shildrick et al. 2012). Whilst formal search and application procedures based on web-based advertising, online applications and employment agencies are increasingly preferred by large employers – in theory at least – marginalised young people often tend to rely on informal methods, localised networks and communication with family, friends and personal contacts (MacDonald et al. 2005). In or own research, we have found that NEET young people often make unsolicited applications, sometimes by email or post but often involving 'dropping off' a CV at an employer's premises. In some cases, this appears to have a partly symbolic function, as a demonstration that the young person is doing something to find work (Simmons, Thompson and Russell 2014). As the NEET category is made up of a highly diverse range of individuals it is important to recognise that support mechanisms for young people outside education and work need to flexible and tailored to their specific needs and circumstances.

As Green and White (2008) point out, social networks or information gained from family and friends can have a positive impact, particularly in terms of support for aspirations or where social networks provide access to employment opportunities, often drawing on word-of-mouth contacts. However, for already disadvantaged young people social networks may also constrain subjective opportunities, by reproducing and recirculating the kind of low-paid, insecure work already being done by family or friends (MacDonald and Marsh 2005). Tendencies towards social reproduction may be further intensified by the potential of early low-skilled employment to divert young people's attention from the longer-term benefits of staying in education or training, particularly when courses experienced in the past have seemed of little value. The kind of 'hyper-conventional' work ethic described by MacDonald et al. (2005), and also uncovered in our own research, may cause young people to prioritise work - any work - over learning, particularly when their experience shows the limited labour-market returns of any qualifications they are likely to obtain in the foreseeable future.

As the NEET category is made up of a highly diverse range of individuals it is important to recognise that support mechanisms for young people outside education and work need to flexible and tailored to their specific needs and circumstances. Vulnerable young people such as those with special needs or emotional and behavioural difficulties are, for, example, likely to need different forms of support to those with less serious barriers to participation. Indeed, for some individuals, accessing education, employment and training is not the most immediate or serious challenge they face. For less vulnerable young people there are, however, often other obstacles to sustained participation and repeated negative labour market experiences can have a corrosive effect on a young person's confidence and self-esteem (McCrone et al. 2013). As the UCU's (2013) survey shows us, most young people outside education and employment are not 'long-term NEET'; more often non-participation interspersed with short-lived participation in insecure and poorly-paid work and low-level vocational training programmes. This recurrent 'churning' between different sites of engagement and disengagement can have serious consequences for a young person. We have found that repeated exposure to training which fails to lead to meaningful progression into either employment or higher-level study is a significant source of frustration for many NEET young people (Simmons and Thompson 2011). Meanwhile, evidence suggests that the 'discouraged worker' phenomenon is a well-established consequence of repeated exposure to poor work (Eurofound 2012).

Policymakers and practitioners often talk about 're-engaging' NEET young people but not all forms of participation are equal, and some experiences can be deeply problematic. It is therefore necessary to think about the quality and purpose of the activity in which a young person is engaged. As we will explain in the final section of this report, certain strategies can be used to help improve the quality of work and training available to young people but the role of information, advice and guidance (IAG) services is also important. Since 2010, IAG services have been reshaped and significantly reduced as a result of austerity measures as well Many low-level vocational or pre-vocational training programmes provide participants with little or no advantage when seeking employment and, in some cases, may have negative labour market returns.

<sup>1</sup>Activity agreements were piloted in eight areas across England between April 2006 and September 2009. They were designed to encourage NEET young people into work or learning and provided an allowance of between £20 and £30 per week in return for participation in activities designed to support progression into education or employment. as legislative change. In many local authorities, Connexions has effectively dismantled and replaced by an all-age National Careers Service (NCS). However, the NCS receives considerably less funding than was previously allocated to Connexions and, perhaps most importantly, it operates mainly via telephone helplines and online material rather than through personal advisors offering faceto-face guidance as was the case with Connexions. Furthermore, arrangements differ across the country, and many local authorities are not offering discrete careers guidance for vulnerable young people due, at least in part, to the severe budgetary constraints under which they now operate. Many careers advisers have either been made redundant or been redeployed as generic local authority youth support officers (Institute of Careers Guidance 2011). Whilst NEET young people under the age of 25 are entitled to three face-to-face sessions with a NCS adviser each year, it has been argued that the new arrangements limit access to support, particularly for the most vulnerable (Institute of Careers Guidance 2011; Sissons and Jones 2012). Evaluations of programmes for NEET young people have consistently indicated that the quality of the relationship between young people and IAG staff is a significant factor in the effectiveness of interventions (see, for example, Spielhofer et al. 2009). Research on the Connexions service highlights the importance of personal advisers responding to the needs and interests of young people rather than pursuing target-driven outcomes (Hoggarth and Smith 2004: 14). Establishing a relationship based on trust and respect between personal advisers and young people was also highlighted as a key factor in evaluations of Activity Agreements<sup>1</sup> (Hillage et al. 2008: 32). Evaluation of more recent programmes has reinforced this point (McCrone et al. 2013: 60-61).

Returning to the particular forms of learning towards which NEET young people are often directed, a popular notion is that they are unsuited to academic learning and must therefore be re-engaged by more practical, work-related activities. But, whilst the idea that work-based learning can offer young people an alternative route to educational success is an attractive one, in the UK at least, it is normally regarded as an option largely for lower-attaining young people. As Thomson and Russell (2007) express it, these are the young people deemed to be 'good with their hands, not their heads', for whom learning activities involving writing or calculation must be kept to the barest minimum. The association between such pedagogies and the social control of disaffection has, however, been critiqued by Bernstein, who points out that substituting the practical for the academic 'occurs usually with the less 'able' children whom we have given up educating' (Bernstein 1971, p.58). More recently, the Wolf Review (2011) showed that many low-level vocational or pre-vocational training programmes provide participants with little or no advantage when seeking employment and, in some cases, may have negative labour market returns. One possible explanation is that the reputation of such programmes and the assumptions which surround many so-called employability programmes may have a stigmatising effect for participants and actually deter potential employers from offering them work (Simmons and Thompson 2011).

## Looking for a NEET solution



Whilst different governments have been more or less vigorous in style and substance, there has been reluctance, based largely upon ideological commitment, to intervene in the labour market as governments attempted in the years after the end of World War Two.

Whilst debates about NEET young people are often in the headlines nowadays, youth unemployment has been a significant problem in the UK since the end of the 1970s; and, over time, different governments have tried various schemes and initiatives to attempt to reduce the number of young people outside education and work, most of which have been based upon attempts to make those outside the labour market more attractive to prospective employers. Whilst different governments have been more or less vigorous in style and substance, there has been reluctance, based largely upon ideological commitment, to intervene in the labour market as governments attempted in the years after the end of World War Two. This section of the report explores three possible approaches to tackling the intractable problem of youth unemployment. The first is the approach taken by the present Government - a stance which it is argued is a variant of an essentially liberal position to the labour market which has been dominant in the UK since the 1980s at least. The second approach, which is unlikely to win widespread support, is an interventionist strategy based on stimulating the demand for skilled labour, such as licence to practice requirements for workers and statutory rights to collective bargaining on skills. We conclude with a proposal for an alternative approach, a Youth Resolution embodying a shared commitment to young people by employers, training providers, voluntary organisations and local authorities.

#### **TACKLING YOUTH UNEMPLOYMENT: A LIBERAL APPROACH**

Alongside championing the role that education and training has to play in equipping young people to compete in the jobs market, rather than changing the structure of demand by regulation, the Coalition Government's youth unemployment strategy consists largely of providing incentives for employers to take on young people. Wage subsidies are, for example, available to organisations taking on young people aged 18-24 through Jobcentres or the Work Programme. Under the Participation Strategy, these measures, alongside other subsidies such as the Apprenticeship Grant for Employers, have been brought within an overarching Youth Contract initiative, which aims to 'help get young people learning or earning before long term damage is done' (HM Government 2011: 5). The Youth Contract also includes tailored support for getting the most vulnerable 16-17 year old

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We need to encourage not just more employment but better quality jobs and training for young people. NEET young people into education, an apprenticeship or employment with training. As with earlier re-engagement programmes, public, private and voluntary organisations compete to provide services to eligible young people on a payment by results basis. Although such competition was intended to give organisations the freedom to design innovative and personalised support, early assessments of the Work Programme – a similar scheme for adults – indicated that contractors tended to focus their efforts on individuals who were easier to support rather than those with circumstances and needs which mean they are classified as 'harder-to-help' (NAO 2012). Similar criticisms were made some years ago concerning the focus of Connexions on re-engaging young people, in which the most vulnerable were often neglected in favour of those more easy to reach (Yates and Payne 2006).

Whatever the detail of the Coalition's policies on youth employment may be, they are based upon certain core principles and assumptions. Central to this is a belief that the labour market should be as free from regulation as possible and that business and industry rather than the state or trade unions should determine the nature of employment and workplace relations. But, whilst government and employer groups call for more flexible labour markets in the pursuit of economic growth, it is easy to lose sight of what this means for millions of people both in and out of work. The factors determining labour market flexibility fall into three main groups. Functional flexibility refers to the ability of an employer to transfer workers between different tasks; a functional workforce tends to be multi-skilled and trained for a range of work roles. Supply-side flexibility includes factors such as the nature and effectiveness of a country's education and training system, but also refers to numerical flexibility: an employer's ability to adjust the size and composition of its workforce according to market conditions, or adjust their working hours. Increasing numerical flexibility therefore entails weakening employment protection legislation. Finally, labour cost flexibility includes not only micro-level arrangements such as incentives and bonuses, but also macrolevel factors such as national minimum wage policies and legislation affecting the operation of collective pay bargaining. In 2013, the United Kingdom was ranked tenth out of 144 world economies in terms of labour-market flexibility (WEF 2013), and many economists agree that this level of flexibility has to some extent protected the UK against job losses in the aftermath of recession. However, although some aspects of flexible labour markets could in principle support high-skills strategies and improved working conditions, in practice flexibility has been achieved in the UK through emasculation of the trade unions, high levels of structural unemployment, weaker levels of employment protection than in many other European countries, and low minimum wage levels. But, one way or another, we need to encourage not just more employment but better quality jobs and training for young people

#### TACKLING YOUTH UNEMPLOYMENT: THE CASE FOR INTERVENTION

Although, as we have seen, youth unemployment is related as much to far-reaching changes in the labour market as it is to individual deficiencies, successive governments have concentrated on the supply of skills and reducing labour market rigidities rather than on using employment regulation or job creation to

High quality training and secure employment with future development prospects are what is required if we are serious about providing a better future for young people, and so it is tempting to see compulsory regulation as the way forward.

It must, however, be recognised that it is not possible to turn the clock back and recreate the conditions that existed in post-war Britain – even if this were thought to be desirable. stimulate the demand for labour. In some ways this is logical: under neo-liberalism skill-supply initiatives are seen as one of the few legitimate areas for state activity (Keep 2006). Consequently, whilst particularly in more deprived areas of the UK, New Labour used investment in the public sector to maintain levels of employment, a range of possible policy interventions have been largely excluded from the agenda. The introduction of licence to practice requirements for workers, statutory rights to collective bargaining on skills, or indeed the re-introduction of training levies such as those which existed in Britain in the 1960s and 1970s have, for example, been overlooked by a succession of governments in favour of skill-supply strategies. At the same time, attempts to broaden post-16 education and to raise the status of vocational education have largely foundered, with many forms of vocational education in England continuing to be regarded as educational spaces for the containment of low-ability or disaffected young people (see, for example, Hodgson and Spours 2010; Fuller and Unwin 2011).

Coalition initiatives such as the Youth Contract are also essentially an attempt to provide a supply-side solution to youth unemployment. It does little to raise the quality of labour market opportunities available and, in some ways it could be argued that the Youth Contract effectively subsidises poor work - and poor work, as we know, often has negative effects upon participants, leads to labour market 'churning' and can, in some cases, discourage participation. High quality training and secure employment with future development prospects are what is required if we are serious about providing a better future for young people, and so it is tempting to see compulsory regulation as the way forward. It must, however, be recognised that it is not possible to turn the clock back and recreate the conditions that existed in post-war Britain - even if this were thought to be desirable. Like other nations, the UK is now part of a far more globalised economy; labour and especially capital is nowadays far more mobile than was the case in previous decades; and social expectations have changed, perhaps irreversibly. A highly interventionalist labour market strategy is unlikely whatever form of government we get after the next general election.

#### TACKLING YOUTH UNEMPLOYMENT: A YOUTH RESOLUTION

Whilst a corporatist industrial and labour market strategy is, for a variety of reasons, unlikely to be adopted by any mainstream political party in the foreseeable future, it is clear that action to improve the opportunities available to young people is needed – and there is evidence to suggest that key figures within the Labour Party recognise this is necessary. Labour's Real Jobs Guarantee for unemployed 18-24 year olds, Ed Miliband's ideas on pre-distribution and his call for all workers to be paid the Living Wage are, for example, clear signs of this. There is, however, a need to think through exactly how these ideas will be delivered and to provide mechanisms which will support the development of improved opportunities for young people.

The model we propose is the creation of a Youth Resolution. Endorsed by government, this would essentially be a locally co-ordinated national policy to drive up labour market standards - with employers, training providers and local authorities at its heart. Central to the Youth Resolution is a commitment

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Underpinning the Youth Resolution is the principle that young people are an asset to be nurtured and developed rather than a burden or merely a resource to use.

by education and training providers, organisations providing advice and guidance and support services and, perhaps most importantly, employers, to commit to certain material and ethical standards when working with young people. This would not only entail offering decent levels of pay and other allowances but providing young people with structured training opportunities, clear and accessible career progression routes, access to workplace mentors, and programmes of personal development and enrichment activities. Certain key public, private and voluntary sector organisations would be expected to act as beacons of excellence in promoting the Youth Resolution. Universities and colleges, for example, are obviously significant providers of education and training for young people but, in many towns and cities, they are amongst the largest employers not only of full-time and part-time workers but apprentices and interns. Either way, underpinning the Youth Resolution is the principle that young people are an asset to be nurtured and developed rather than a burden or merely a resource to use. It is envisaged that local authorities will be central to developing and implementing the Youth Resolution. In England, they are already responsible for co-ordinating the raising of the participation age, and local authorities across the UK have significant responsibilities for engaging with business and industry and carrying out a range of duties in relation to the support and care of young people. Local authorities would be responsible for awarding Youth Resolution Status to organisations in their localities signing up to agreed standards - and for promoting, managing and co-ordinating good practice.

In many ways, the Youth Resolution offers a win-win scenario for all parties. Young people would be provided with good quality opportunities and meaningful career development prospects whilst employers, support services and training providers joining the Youth Resolution would be provided with a quality kite mark which would help support their business activities and promote their status, locally and nationally. Moreover, whilst young people, parents and practitioners concerned with their welfare would be provided with a clear signal of value, the Youth Resolution could also open up significant development opportunities for participating organisations. Local authorities have a key strategic role as commissioners and purchasers of a wide range of products and services: importantly, they are in a position to develop partnerships with organisations committing to a Youth Resolution when developing and securing services for local people. As Appendix A, our colleagues set out in more detail no how the Youth Resolution would work.

Robin Simmons Robin Thompson

### Appendix A: The Youth Resolution, a practical proposal to tackle youth unemployment

The Youth Resolution is the proposal for kite marked partnership between local authorities, employers and education institutions which benefits businesses, gives young people fair opportunities and helps tackle youth unemployment and drives local growth



The Youth Resolution would provide young people with structured training opportunities, clear and accessible career progression routes, access to workplace mentors, and programmes of personal development.

<sup>2</sup> For a discussion of the financial merits of business ethics see Does business ethics pay?, Institute of Business Ethics, April 2003 http://www.ibe.org.uk/userfiles/ doesbusethicpaysumm.pdf

<sup>3</sup> The Business Case for Equality and Diversity, BIS, January 2013 https://www.gov.uk/government/uploads/system/uploads/attachment\_ data/file/49638/the\_business\_case \_for\_equality\_and\_diversity.pdf Endorsed by government, this would be a locally co-ordinated national policy to drive up labour market standards - with employers, training providers and local authorities at its heart. Central to the Youth Resolution is a commitment by education and training providers, organisations providing advice and guidance and support services and, perhaps most importantly, employers, to commit to certain material and ethical standards when working with young people.<sup>2</sup> This would not only entail offering fair levels of pay and other allowances but provide young people with structured training opportunities, clear and accessible career progression routes, access to workplace mentors, and programmes of personal development and enrichment activities. Employers would benefit from drawing a wider talent pool of applicants, particularly as diverse workplaces have been shown to be more effective.<sup>3</sup>

Key public, private and voluntary sector organisations would act as beacons of excellence in promoting the Youth Resolution. Universities and colleges, for example, are obviously significant providers of education and training for young people but, in many towns and cities, they are amongst the largest employers of full and part-time workers as well as apprentices and interns. Underpinning the Youth Resolution is the principle that young people are an asset to be nurtured and developed rather than a burden or merely a resource to use.

It is envisaged that local authorities will be central to developing and implementing the Youth Resolution. In England, they are already responsible for co-ordinating the raising of the participation age, and local authorities across the UK have significant responsibilities for engaging with business and industry and carrying out a range of duties in relation to the support and care of young people. Local authorities would be responsible for awarding Youth Resolution Status to organisations in their localities signing up to agreed standards – and for promoting, managing and co-ordinating good practice.

#### **EMPLOYERS SIGNING UP TO THE YOUTH RESOLUTION WILL**

 pay full-time employees under the age of 21 at least the full adult national minimum wage in recognition of their status as full time workers in need of Local authorities will actively implement the Youth Resolution through their own procurement practices, requiring contractors also to become youth resolution employers thereby creating an immediate impact on local labour markets. an income to support themselves and any dependents.

- comply with the requirements of raising the participation age to 18 in 2015 by ensuring young people have the time and opportunity to receive the education and training to which they are entitled. Employers will receive support from their local authority and local education providers on how to provide these opportunities and education providers can use their existing funding to provide Youth Resolution education packages suitable for young people in full time employment.
- support employees under the age of 25 with a training plan and appropriate development opportunities for instance through use of an induction process, company mentor, time off for training or in-house training.

#### IN RETURN YOUTH RESOLUTION EMPLOYERS WILL

- be awarded the Youth Resolution kite mark in recognition of their work to develop the future workforce and give young people the first steps to a career. The kite mark will promote their status locally and nationally and would be an opportunity for publicity and promotion of the business. Kite mark holders will receive bespoke advice from the National Apprenticeship Service about becoming an apprenticeship employer.
- gain access to a diverse range of young people at the start of their career, choosing their training and learning to best meet the current and future needs of the business
- benefit from lower staff turnover, more contented employees, and have greater access to public sector contracts, well trained staff and the competitive advantages of having a higher skilled, motivated workforce
- local authorities will offer a business rate discount (to be decided at their discretion) to small and micro businesses enrolling as youth resolution employers
- have the opportunity to participate in the Youth Resolution employer of the year competition offering the chance to have outstanding achievement recognised though a national award.

#### THE ROLE OF LOCAL PARTNERS

- Local authorities will promote, manage and co-ordinate the Youth Resolution scheme and be responsible for awarding the kite mark. They will actively implement the Youth Resolution through their own procurement practices, requiring contractors also to become youth resolution employers thereby creating an immediate impact on local labour markets.
- Colleges, universities, local luthorities and other public sector organisations will become Youth Resolution Champions, promoting the scheme in their local area and signing up to the scheme as a matter of course. This will place these organisations at the heart of the Youth Resolution as large employers within a local area, and will foster the development of a training culture for staff.
- Local authorities and education institutions will ensure that all young people who could benefit from a traineeship to help their transition to employment are enrolled on a suitable place.
- Voluntary sector organisations working with young people can act as Youth

Local authorities can host training events to match local demand, for instance in customer care; and provide pre-interview candidate selection services to smaller employers to reduce the recruitment burden on them. Resolution employers and/or be Youth Resolution champions forming a source of information and advice for employers

- Business Link and Investors in People will promote the Youth Resolution to their customers as part of their developing people briefs
- Local Enterprise Partnerships (LEPs) will promote the Youth Resolution and signpost local businesses to appropriate support. It can play an important part in forming city deal agreements and skills strategies for LEP areas. Local authorities and LEPs will work on a local training plan based on what local employers need to ensure portability of any training within a reasonable travel to work area.
- Suppliers and supply chain to Youth Resolution champions will be supported to meet the requirements of the Youth Resolution, making a real difference to young people in the local area.
- Local authorities can host training events to match local demand, for instance in customer care; and provide pre-interview candidate selection services to smaller employers to reduce the recruitment burden on them.

### IN PRACTICE - ILLUSTRATING HOW THE YOUTH RESOLUTION CAN WORK FOR US ALL

#### Sean, aged 17

Sean began a catering apprenticeship shortly after leaving school at 16 with good GCSEs. His work placement was at Rick's Bar and, initially, Sean worked 40-hour weeks. However, before long, Sean was working sixteen-hour days (plus travelling time), six days a week. He found the long shifts exhausting and described going into 'robot mode', and having difficulty coping with college work alongside his placement. Sean left after only two months and was NEET for a while thereafter. He describes himself as feeling angry at the way he was treated at Rick's Bar.

A few months later Sean was recruited as a trainee chef by Pietro's, a national restaurant chain and Youth Resolution employer. He is contracted to work 16 hours per week but sometimes works up to 30. Pietro's have made him aware that he can't work before 9am or after 11pm as he is still under 18, and that he cannot work over 40 hours-a-week.

There is a clear employment and training structure for Sean to follow at Pietro's and he will soon take his grilling exam; then he might try to become a 'buddy' to help train others. Sean says once he has passed his grill test he will get red stripes (on the plain t-shirt which forms part of his uniform). The higher the worker's status, the more decorated the t-shirt.

Sean sees himself carving a career at Pietro's - there is a clear and transparent progression structure and many of the management team have worked their way up, gaining internal and externally-accredited examinations whilst at the company. Sean hopes to do the same and sees the college course which the branch manager has asked him to start as the beginning of this process. In September, Sean will begin attending college for a day a week to study a level 2 catering programme. This has been built into his shift pattern and personal development plan at Pietro's.

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In many ways, the Youth Resolution offers a win-win scenario for all parties.

Young people would be provided with good quality opportunities and meaningful career development prospects whilst employers, support services and training providers joining the Youth Resolution would be provided with a quality kite mark.

#### Michelle, aged 17

Michelle has left school to work 30 hours per week in her family's bakery business. Her work is a mixture of shop work and administration. Her local authority contacted her as a school leaver and made her and her employers aware of the raising participation age requirements which mean she has to undertake 280 hours of guided learning per year. She was put in touch with the Youth Resolution champion at her local college who guided Michelle and her employer through the various options available to her. Michelle is now undertaking a level 2 certificate in book keeping on a part time basis and when she has completed that will undertake a level 3 award in food safety supervision for retail. Her parents' business has been awarded a Youth Resolution kite-mark due to the positive way they responded to the education and training needs of Michelle and their willingness to provide other young people they may employ with the same opportunities. They were featured in the local paper as the first small business to be awarded the kite mark in the local area.

#### Allan Ward supermarkets

Allan Ward is a small chain of supermarkets in the East Midlands. As a- a SME they were wary of being involved in schemes which could be bureaucratic and time consuming. But after being contacted by the local authority about the Youth Resolution they realised there was much to gain by being involved.

'As a Youth Resolution employer we make a commitment to our young people that we will treat them well and give them opportunities to help them along in their careers. In return we get the brightest and best young people wanting to work for us because they know of our reputation and want to contribute to the success of the business.'

In many ways, the Youth Resolution offers a win-win scenario for all parties. Young people would be provided with good quality opportunities and meaningful career development prospects whilst employers, support services and training providers joining the Youth Resolution would be provided with a quality kite mark which would help support their business activities and promote their status, locally and nationally. Moreover, whilst young people, parents and practitioners concerned with their welfare would be provided with a clear signal of value, the Youth Resolution could also open up significant development opportunities for participating organisations. Local authorities have a key strategic role as commissioners and purchasers of a wide range of products and services: importantly, they are in a position to develop partnerships with organisations committing to a Youth Resolution when developing and securing services for local people.

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