

‘Kickstarting’ jobs for young people

Robin Simmons *argues that the devil is not only in the detail but in the big picture too.*

Youth unemployment has been a significant problem in the United Kingdom for over forty years now and the number of young people classed as NEET (not in education, employment or training) is considerably higher in the UK than in many comparable nations. Now the social and economic impact of the coronavirus pandemic means that unemployment in general - and youth unemployment in particular - is predicted to rise to levels we have not seen since the 1980s (Resolution Foundation, 2020).

For individual young people, there are significant ‘scarring’ effects associated with spending extensive periods of time outside education and work. These include a loss of confidence and self-esteem; greater vulnerability to various limiting illnesses and conditions, including mental-health problems; increased likelihood of involvement in crime, anti-social behaviour, and excessive use of drink and drugs. NEET young people are also at greater risk of long-term adult unemployment and tend to earn less than their peers if they do find work. There are, however, also broader social and economic costs associated with high levels of youth unemployment. On one hand, tax revenues are reduced but significant additional expenditure on health, social services and welfare benefits is also required. NEET young people also demonstrate lower levels of institutional trust towards education, policing and other public services, and are less likely to take part in the democratic process (Coles et al. 2020).

Government should obviously be concerned about such matters and in July a £2 billion ‘Kickstart Scheme’ for young people was announced as part of a broader *Plan for Jobs*. Kickstart, it is claimed, will:

- Fund the direct creation of high-quality jobs for young people at the highest risk of long-term unemployment
- Give young people the chance to build their confidence and skills in the workplace
- Allow them to gain experience that will

improve their chances of going on to find long-term, sustainable work

(HM Treasury, 2020)

All this sounds bold and ambitious but essentially Kickstart is just a programme of 6-month work placements paid at the national minimum wage (NMW) - although, for many young people, a lack of work experience is often a significant barrier to finding employment, even if they possess good academic credentials. There are, however, significant problems with the Scheme as proposed, both in terms of operational detail and broader strategy.

The proposed work placements will only be available to 16 to 24-year-olds in receipt of Universal Credit - and many NEET young people are not eligible for benefits. The NMW for those under the age of 25 (£4.55 per hour for under-18s, £6.45 for 18 to 20-year-olds, and £8.20 for 21 to 24-year-olds) is also lower than the ‘adult’ NMW (£8.72) which is, in turn, lower than the ‘real living wage’ (£9.30 per hour; £10.75 in London). This means that Kickstart will effectively pay poverty wages but the fact that Government has pledged to cover 100 per cent of the cost of providing placements is also problematic. We have, after all, been here before. During the 1980s, some unscrupulous employers effectively used the Youth Training Scheme (YTS) as an inexhaustible supply of free labour, and YTS trainees were sometimes used to displace existing employees. It is not unreasonable to expect employers to contribute at least something towards the cost of the Scheme which will, after all, provide them with additional labour power and help generate additional profits.

It is also worth pausing to consider the overall cost of Kickstart. £2 billion is obviously a lot of money but YTS was launched with £1 billion of public funding in 1982, which is the equivalent of over £3.5 billion today. Meanwhile, the current Job Retention Bonus Scheme, which aims to encourage

employers to retain furloughed workers, is predicted to cost between £7 billion and £9 billion, even though the head of HMRC has criticised the Scheme as a blunt instrument unlikely to represent good value for money (BBC, 2020). Such figures are thought-provoking but any initiative also needs to be properly planned and delivered if it is to be successful however much it costs - yet there appears to be no adequate machinery in place to implement, deliver or monitor the Kickstart Scheme.

This is perhaps unsurprising. Successive Conservative-led governments have spent the last ten years running down local authorities, the Civil Service and government agencies, and sub-contracting various functions of the state to private enterprise. Consequently, there is little capacity to deliver co-ordinated national policy initiatives and those which get off the ground often run into trouble. There have been many instances of this over recent years, ranging from bungled infrastructure projects to the debacle of privatising the probation service. Another example - which is of significant relevance here - is the way that employability training programmes for young people have effectively been turned over to 'the market'. The net result is that certain providers have received a great deal of taxpayers' money but the quality of such provision, much of which is aimed at some of the most vulnerable young people, is highly variable. Yet despite - or perhaps even because of - all this, the current plan (if indeed plan is the right word) basically appears to be to throw money at employers in the hope this will somehow turn into jobs. The remainder of this article sets out an alternative approach.

Whilst the coronavirus will undoubtedly exacerbate it, we need to recognise that youth unemployment is a long-term problem for the UK, and that this has largely been caused by structural changes in the economy which have been driven, at least in part, by successive governments imbued with neoliberal ideology and an infatuation with competition, choice and 'flexible labour markets' across all sectors of the economy. The consequences of this have been profound and have caused high levels of inequality; a preponderance of insecure, low-pay, low-skill employment; and a general oversupply of labour, alongside significant skills shortages in certain fields. It has also resulted in an 'unbalanced' economy which is over-reliant on the service sector; inefficient but expensive public services; large numbers of young people priced out of the housing market; and a run-down public infrastructure (Ainley 2020).

Tackling such problems is no easy task. The creation of a significant public body to both plan, fund and deliver work-related training, and stimulate demand for skilled labour in key sectors of the economy would, however, be a good starting point. This has, of course, been tried before - the Manpower Services Commission (MSC) was established in the mid-1970s with a similar remit, although it was soon 'blown off course' by the collapse of the traditional youth labour market and the MSC soon became more of a firefighting operation rather than a strategic planning body (Ainley and Corney, 1990). Either way, trying to reduce overall levels of unemployment is not enough. MSC schemes like YTS and its predecessor, the Youth Opportunities Programme, were often criticised for concentrating on low-skill areas of employment and work placements were often in retail, basic administration and other areas of largely routine employment - although YTS did entail compulsory periods of 'off-the-job training' and, whilst the quality of such training was variable, many young people attended college and gained qualifications with significant labour-market value during their time on YTS. Such provision is notably absent from Kickstart.

What is needed is the creation of a national body - with regional and local offices - to stimulate employment and promote robust programmes of education and training for young people in areas of strategic social and economic importance. What exactly these areas should be is debatable but the following suggestions are a start:

- **Green and renewable energy:** Training programmes in craft and technical skills, alongside new 'hi-tech' forms of manufacturing, construction, installation and maintenance. The aim being to provide workers for a range of state-controlled solar, wind and hydro-power projects.
- **Infrastructure and public works:** a range of initiatives providing training for work in a range of re-nationalised industries including gas, electricity and water; roads; railways; flood defence, waterways and related areas.
- **Caring services** - Education, training and practical experience for young people aiming to work with the elderly, the vulnerable and those with special needs. The aim being to prepare trainees for employment in a newly-established national care service.
- **Working with children** - A national system of childcare and early-years education, training and practical experience for those seeking to work with children. The restoration of Sure Start to provide placements and jobs across the nation.

- **Public services** - A public-services 'cadet' programme covering policing; fire and rescue; ambulance services; probation; social work; youth and community work, and similar occupations. The aim being to prepare young people for work in these occupations and to increase the resilience of key public services.

All young people taking part in these initiatives would be paid at the national living wage, and nationally-recognised, accredited programmes of education and training would be provided at a level appropriate to each trainee. Such programmes would, it is envisaged, be delivered in partnership with FE colleges and universities with a robust track-record of delivering work-based learning.

All this would, of course, be expensive but it is likely to provide significantly better value for money than recent youth employment initiatives - and offer much better, more fulfilling opportunities for young people. It would not solve everything, there is no 'silver bullet'. What is proposed in this article would, however, go some way towards creating meaningful opportunities for young people, help strengthen the economy, and improve the social fabric of the country in a number of tangible ways.

References

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Post-16 Educator seeks to defend and extend good practice in post compulsory education and training. Good practice includes teachers working with students to increase their power to look critically at the world around them and act effectively within it. This entails challenging racism, sexism, heterosexism, inequality based on disability and other discriminatory beliefs and practices.

For the mass of people, access to valid post compulsory education and training is more necessary now than ever. It should be theirs by right! All provision should be organised and taught by staff who are trained for and committed to it. Publicly funded provision of valid post compulsory education and training for all who require it should be a fundamental demand of the trade union movement.

Post-16 Educator seeks to persuade the labour movement as a whole of the importance of this demand. In mobilising to do so it bases itself first and foremost upon practitioners - those who are in direct, daily contact with students. It seeks the support of every practitioner, in any area of post-16 education and training, and in particular that of women, of part timers and of people outside London and the Southeast.

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