

# The changing nature of the youth employment market and its impact upon the lives of young people on the economic margins of society

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**This** article seeks to explore how the transitions of young people from formal education into employment have changed since the 1970s and to consider the impact these changes have had upon the lives of some of the most vulnerable young people in society. This discussion concludes that the consistent focus on education, training and addressing the perceived personal flaws of individuals, without an equally rigorous examination of the flaws within the structure and functioning of the youth employment market, means that as a society the UK is still consistently failing to address the needs of a tenth of its youth population as they approach adulthood.



## Introduction

Young people deemed to be living on the economic margins of society have been a source of public concern and political grandstanding since the 1990s. Successive governments have sought to address the perceived issue of the lack of engagement of sections of the youth population with a plethora of policies and initiatives, with the key aim of addressing social exclusion and engaging young people in education and training; instituting 'an ambitious, and radical modernisation of how we support teenagers' (Social Exclusion Unit, 1997). Career guidance has been at the heart of many government initiatives, the Careers Service of the 1990s morphing into the Connexions Service in the 2000s as a direct result of a perceived need to address the many and various problems

attributed to approximately '10%' of 16 and 17 year old young people. In 1997, 9% were 'missing' from any official educational, employment or benefit records (Social Exclusion Unit, 1997); government statistics for the first quarter of 2013 show 10.4% of 16-17 year olds not engaged in 'Employment, Education or Training' (D of E, 2013). The people are different and the terminology changed but the statistics would suggest that as a society the UK is still consistently failing to address the needs of a tenth of its youth population as they approach adulthood.

This article draws on a range of academic literature to explore how the transitions of young people from formal education into employment have changed since the 1970s. 'Most young people in the UK make relatively 'successful', unproblematic transitions from school to work and adulthood' (McDonald, 2008, no page number) but some do not and this discussion aims to consider the impact change has had upon some of the most vulnerable young people in society and to question if the many 'issues' attributed to some young people's lack of motivation, 'job readiness', or their perceived 'poverty of aspiration' (Roberts, 2008: 63) should be more justifiably linked to the transformation of the youth labour market; a transformation which has progressively excluded some young people from anything but the very lowest and least stable sections of the job market.

Identifying lack of aspiration, motivation or insufficient skill as the source of the 'problem' of youth unemployment, places the solution in the hands of the individual; as Roberts' notes this has been a consistent theme of youth policy since the late 1990s. Young

people have been exhorted to take responsibility for their own lives with the help of Connexions and the financial support of such initiatives as Youth Credits and Education Maintenance Allowance and any 'remaining problems in the eyes of the government... are due to young people, specifically those from deprived backgrounds, suffering from a poverty of aspiration' (2008: 363). This discussion will suggest, in contrast, that for some young people, the routes from education to employment have become seriously flawed, and that the resultant presenting problems in the life chances of some, are, in the main, 'issues' of public concern and not personal failure.

C Wright Mills argues that when one person is unemployed the problem may well be their own; however when a large number are without work the issue becomes a public one (1959). The significant numbers of young people not engaged in education, employment or training since the 1980s would seem to suggest the latter case to be true, 'the persistently high level of unemployment of young adults in Western Democracies is not a private trouble but a public issue' (Wilkinson 1995: v). Recognition, however, of the demise of the youth employment market as a 'public' issue sits uncomfortably with the prevailing economic and political ethos that has predominated British government since the late 1970s. Successive governments, both left and right, have adhered to Neo-liberal orthodoxies since Margaret Thatcher became prime minister in 1979. Such adherence makes recognising, let alone addressing, the issue of youth employment with direct action on the part of government an option that is at odds with Neo-Liberal economic philosophies. Such philosophies have become central in British politics, exhorting government not to interfere with economic structures and the individual to take responsibility for their own lives (Harvey, 2005; Keep, 2006; Sutcliffe Braithwaite 2012).

## The changing economic landscape of young people's lives

Through the decades of the 1950s and 60s the majority of young men and women were accustomed to moving directly from education to employment. The

tradition of 'on the job training' and apprenticeships characterised the post war employment market. Though it has been argued that the interpretation of this era as a 'Golden Age' for youth employment is an over simplification of many varied and complex transitions (Vickerstaff, 2003), it cannot be denied that during this period a thriving youth employment market existed, offering a range of opportunities to those young people, over the age of 15, who did not wish to remain in school. In the 1970s, this was still to a degree the case, with only 1 in 5 16 year olds staying on in full time education. However, by the 1990s, many of the industries which had offered employment and training to school leavers no longer existed (Wilkinson, 1995) and staying on rates within post 16 education had begun to rise significantly. 'Manufacturing, distribution, transport and communication- together accounting for 60% of first time entrants- are exactly those industries which have experienced the greatest number of net job losses in the past decade' (Rees and Atkinson, 1982: 3).

Lack of capital investment in new technologies in the UK and increased foreign competition particularly from countries with far cheaper labour costs, led from the 1970s onwards to UK heavy industry; coal, iron and steel and shipbuilding, failing to compete in world markets. As a result many employers who had traditionally recruited 16 year olds were now no longer in a position to do so. Between 1983 and 1990 numbers of apprenticeships fell nationally, from 102,000 to 53,600 (Cregan, 2001). In addition, from the 1980s onwards recruitment declined within the public sector and elements of the private sector such as large financial institutions. Such employers had, until then, served as 'direct ports of entry' (Cregan, 2001: 17) for school leavers. Advances, such as the growing use of information technology contributed to a drop in the number of direct entrants to such organisations, as did a change in the structure of the working population. Women with children under 5, had traditionally cared for their children in the home, but between 1985 and 1989 the number returning to work after maternity leave rose from 39% to 52% and has continued to rise. Often willing to work for lower pay and frequently seeking flexible part time hours, women were viewed as 'mature and reliable' and 'skilled', in comparison to young people who were deemed 'unskilled' (Cregan, 2001: 131).

Of equal significance for post 16 employment opportunities, was Margaret Thatcher's drive to dismantle the power of local authorities. The sale of public housing and the competitive tendering for and outsourcing of many services from the 1980s onwards, impacted upon the youth employment market. Local authorities had offered young people well respected apprenticeships, particularly in skilled trades, however the privatisation and out sourcing of services led to 'the public sector's effective abdication of its responsibility for training lower skilled workers as services are increasingly contracted out' (Furlong and Carmel, 2004: 5). As a result of this combination of major economic and political shifts, Payne and Payne note by the early 1990s, 'the youth employment market is in the process of disappearing' (1994: 94).

The introduction of a 'guaranteed' training place for all young people not staying in full time education was part of the package of measures to address youth unemployment by the Conservative government, which accompanied the withdrawal of social security benefits for 16 and 17 year olds in 1988 and was in part the justification for their removal. This legislative change is significant to this discussion because it was accompanied by the introduction of sanctions to encourage young people into youth training, and is cited by a number of authors as of major significance to subsequent rises in the number of young people moving to the margins of society (Harris, 1988; Bloxom, 1997; Furlong, 2006; Wilkinson 1995; Muncie 1999). Critics of the policy questioned whether there would be sufficient places available and significantly, raised concerns regarding the impact on the motivation and commitment of trainees of the introduction of the element of compulsion (Sime, 1991). Implicit within the latter notion, is the belief that some young people lack motivation and will only participate if pressed to do so. All young people were guaranteed a training place, however there was no further guarantee that the training would be in anyway related to their skills, aptitudes or aspirations or held to be valued by employers.

It is important to note that the 'carrot' and 'stick' approach to dealing with youth unemployment (Watts, 2001), initiated by the Conservative government continued under New Labour following their victory in the 1997 election and remains so under the

coalition. Though the terminology has changed ('Not in Education, Employment or training' or 'NEET' now being the label of choice), the emphasis remains on the need to coerce often poorer, less qualified members of the youth population into activity and of reducing their many perceived deficits. A similar exploration of the deficits of the employment market has been consistently lacking. In Watts's opinion, this coercive approach was a key factor in the establishment and maintenance of the missing 10% in the 1990s. Young people, unwilling to participate in training which they felt had no intrinsic value to them, dropped out of the mainstream and disappeared from government statistics (Watts, 2001; Muncie 1999). As Muncie notes, 'The problem of course remains that no amount of training will improve employment chances when the labour market is contracting or non-existent and when such training is perceived as 'dead-end' (1999: 165).

## Young people who are not in employment, education or training

The term 'not in education, employment or training' ('NEET'), later used to measure the activities that young people are or are not engaged in, was first coined to a wider audience in the New Labour publication 'Bridging the Gap' in 1999 (Social Exclusion Unit). The NEET classification does serve as a valuable means of bringing back into focus those young inactive people who had been 'missing' from statistics, since the Social Security Act gained royal assent in 1988, but it is also a 'deficit' model, which highlights what young people are *not* doing. It is clear from the outset that New Labour's solutions to social exclusion were seen to be firmly in the hands of young people themselves. Young people must raise their levels of employability by education and the development of skills, because paid work will ensure inclusion, 'The policy prescriptions that emanate from the Social Exclusion Unit (SEU) and other branches of government... proclaim a fundamental belief in the role that paid work has in forging social inclusion' (MacDonald and Marsh, 2001: 387). Research throughout the 2000s exploring the lives of young people who were NEET serves to question the validity of the NEET classification itself, because of its inability to accurately depict youth unemployment (Furlong, 2006) and

challenge the SEUs assertions with regard to the remedial properties of paid work.

By focusing on the number of young people engaged or not, in a specific activity at any one time, without acknowledging that who those people are is constantly changing, means the NEET figures fail to recognise that many young people were and are still locked into a cyclical process which lacks any element of progression. 'The majority of respondents' occupied precarious positions and their labour market histories were largely characterised by periodic unemployment and short-term insecure work' (Furlong and Carmel, 2004: 1). Young people were moving from insecure employment to unemployment then into training, the latter often remaining incomplete, because if the opportunity for paid work became available it was deemed of more value than the training on offer, despite the insecure nature of many of the jobs. The significance of this factor in an economy espousing the value of 'lifelong learning' to raise the skill levels of the workforce to meet the demands of the global economy is telling (Aspin, 2001). McDonald refers to such insecure employment as 'Poor work' (2008). Agency work, temporary and (more recently) zero hour contracts all serve as examples to illustrate these casualised sections of the employment market. In 2004, Furlong and Carmel found that at any one time 30% of the population was working in 'insecure sectors of the labour market' (Furlong and Carmel, 2004: 4). These findings serve to challenge the notion that young people lack motivation,

In the main the young men whose lives we describe were neither work shy or unemployable but many were effectively locked out of segments of the labour market that offer opportunities for secure employment, career development and a decent quality of life

(Furlong and Carmel, 2004: 1).

Research carried out on Teesside serves to further challenge the notion that paid work is synonymous with inclusion. Their findings identified many young people similarly moving through a 'cycle' between marginal jobs, training schemes and unemployment. Most significantly, 'entry to employment did not provide the first step on an upward path away from joblessness, poverty and benefit dependence.'

(MacDonald and Marsh, 2001: 387). It would appear that not only does the NEET categorisation fail to provide an accurate picture of youth engagement, but the principle underpinning its inception, that engagement in employment, education or training leads to societal inclusion, is highly questionable.

## The Education and Skills Act and young people not in employment education and training

The central role that education and training play in government policy seeking to address the problems of social exclusion is well illustrated by the Education and Skills Act, passed in 2008 by New Labour. In contrast to the free market principles applied to the economy and the labour market, education and training has seen 'since the early 1980s...the increasing power of the state—in the shape of central government—to design, control and implement policy' (Keep, 2006: 48). The act has raised the age at which young people can leave education or training to 18. The Coalition government has overseen its implementation and 2015 will be the first year in which the act is fully in place. For the 89% of young people who already remain within education to the age of 18, this will have only limited effect; an increased focus on the development of high quality apprenticeships as a result of this change, may mean this move is highly advantageous for the majority of young people, giving them a greater range of choices as to where to study or train post 16. For the remaining 11% the future is less clear.

The Act does not require young people to stay on at school but they must remain engaged, until they are 18, in some form of education or training (Simmons, 2008). This does not preclude young people from gaining a job, but the job must include an element of training (DCSF 2007). There is little doubt that a key element of the rationale for the Education and Skills Act is to tackle the issue of 16 and 17 year old young people 'Not in Employment, Education or Training'. Such a status will no longer be legally permissible, because 'non participation is no longer an officially sanctioned option' (Russell, Simmons and Thompson, 2011: 478). Such young people will very shortly be

breaking the law if they choose not to engage and potentially be criminalised for what was the norm only 40 years ago. This change in status and the continued focus on the achievement of qualifications as the route to societal inclusion, serves as a valuable illustration of the continued adherence to an unproven approach to the issue of youth unemployment and a demonstration of how much has changed in the lived experience of young people in the period under discussion.

For the majority of young people leaving school in the post war era of the 50s and 60s, a lack of qualifications was a common characteristic, but as Roberts (2009) significantly notes, those young people were not deemed failures. But today:

...parents and young people who are still content to quit full time education at age 16 with modest qualifications (if any) then seek proper jobs and who reject further education and pre-career training have become a stigmatised rump

(Roberts 2009: 358).

Writing in 2008, as the Education and Skills Bill was being debated before passing into law, Simmons questions the rhetoric surrounding the need for the UK to upskill its young people to meet the demands of a highly competitive global economy. In contrast he suggests that the aim of the Bill was to engage young people who are NEET, not in high level skill training, but as preparation 'for a life of social and economic risk and uncertainty' (Simmons, 2008: 434). Employment opportunities for these young people are likely to require limited skills, 'training emptied of any depth of knowledge content...for those expected to fill the insecure and low status jobs that are the reality for many in the knowledge economy' (Mizen 2004: 63).

Young people have become marginalised simply by their position in relation to the majority (Russell, Simmons and Thompson, 2011). In addition, they have been problematized for their lack of participation, regardless of the nature, relevance and perceived value of the qualifications on offer or without regard to the opportunities available for the coerced 11% when education or training is finally completed.

## Conclusion

Placing the onus on the individual and extolling the virtues of economic activity may be profitable when real opportunities to engage exist, but to do so when the chances of gaining secure, long term employment which includes the prospect of training, personal development and progression are so limited, seems an abdication of responsibility by society to its young. Connexions was charged with the role of re-engaging young people in employment, education or training, in the belief that such a process would place young people on an upward trajectory, but such well-intentioned support has done little to address the overall issue. For a small but significant section of the youth population, employment does not serve as a first step towards economic independence, because many of the jobs on offer are low skilled, poorly paid and insecure with limited training. The remodelling of the individual to be more employable will not serve when what is required is the addressing of the impact a declining youth employment market in a post-industrial UK, has had upon the lives of the most marginalised of young people. 'Young people today are excessively ambitious relative to the jobs that the economy offers. There is a wealth of talent and a wealth of ambition and an overall shortage of jobs, not least good jobs' (Roberts 2009: 365).

For decades successive governments have fallen shy of actively engaging in the functioning of the economy. Adherence to the Neo-liberal inspired notion of the merits of the free market mean 'it is deemed unacceptable for governments to try to intervene in labour and product markets or attempt to actively manage the economy' (Simmons, 2008: 429). Bailing out the banking sector however demonstrates a costly exception to this strategy. The banking crisis serves as a telling example to challenge a key tenet of Neo-Liberal economic theory, that if left unfettered by government intervention, capitalist economies will function effectively (Harvey, 2005). In 2008, the scale of the problem demanded immediate government action. The issues facing approximately 10% of young people struggling to make successful transitions beyond formal education may not garner such immediate or generously funded interventions, but such interventions are needed. The free functioning of the economic market failed to prevent a global

economic crisis, in the same way that an uncontrolled youth labour market has failed to meet the needs of a significant percentage of young people not in employment, education or training. 'The English state's long-standing commitment to free-market neo-liberalism and relative deregulationist tenets renders unavailable a host of potential policy interventions' (Keep, 2006: 58).

Whether trapped in a 'low skill equilibrium' (Simmons, 2008: 436) or undermined by being 'the underbelly of the UK's upgraded occupational structure' (Roberts, 2009: 361), young people who are NEET, are attempting to navigate an employer led, demand-side economic landscape. This process is a challenge in itself, but when coupled with a pervading atmosphere of negativity, where a young person's very status draws stigma, it is no surprise that many young people struggle to achieve their ambitions and fulfil their potential. Policies which place the needs of young people on an equal footing with the demands of business are required if the recurring figure of 10% who are 'Not in Employment, Education or Training' is ever to be reduced.

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