

Why young people can't get the jobs they want

And what can be done about it

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The current generation of young people is the most qualified but the most underemployed generation ever. Meanwhile, a third of men and a fifth of women between the ages of 20-34 still live with their parents (*Social Trends 2009*) – in most cases because they cannot afford otherwise. Building on and updating the analysis and arguments put forward in our book *Lost Generation? New Strategies for Youth and Education* (Continuum 2010), this pamphlet explains why so many young people are unable to get the jobs and lead the lives that they want. It argues that while it has been accentuated by the recession, increasing youth joblessness is also the result of more long-term, structural changes in the economy. It challenges claims about the growth of the so-called ‘knowledge economy’ and questions the ability of education to adequately respond by ‘raising standards’.

With the new Coalition government and most policy makers offering almost nothing, save ‘apprenticeships without jobs’ for the masses of school and college leavers and ‘internships’ for ‘the squeezed middle’ of university graduates, the pamphlet offers some preliminary proposals to start addressing the problem. It argues for an alternative to what Ken Roberts (2010) calls ‘the old nostrums – expand GDP and become better educated, trained and qualified’, now that it is clear developed economies cannot ‘educate’ their way out of recession.

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The rise and rise of workless youth

The current economic turbulence has seen the number of young people out of work reach alarming levels. Even in the three month period between March-May 2010, a period when the recession had officially ended, the number of 18-24 year olds out of work still stood at 707,000 – a rate of 17.1% compared with a general unemployment level of 7.8%. If 16-17 year olds were included, the figure would have been 19.5%, with the Office for National Statistics monthly bulletin (<http://www.statistics.gov.uk/statbase/product.asp?vlnk=1944>) showing well over a third of those who had left full-time education after Year 11 unable to find a job. A year later, as the recovery began to falter, ONS figures for the period May to July 2011 showed over 973,000 16-24 year olds officially out of work – up 20,000 from the three months to April 2011 – giving an unemployment rate of 20.8% compared with 7.8 % for the population as a whole. The number of unemployed 16 to 17 year olds increased by 1,000 on the quarter to reach 203,000 while the number of unemployed 18 to 24 year olds rose by 77,000 to reach 769,000.

In line with international guidelines, people in full-time education are included in the youth unemployment estimates if they are looking for employment and are available to work. Excluding people in full-time education, there were 709,000 unemployed 16 to 24 year olds in the three months to July 2011, up 91,000 from the three months to April 2011. Equally concerning, the number of young people not in full-time education but considered ‘economically inactive’ is also up – now just under 800,000. While some of these will not be able to work because they are carers, or not physically able to, 25% of economically inactive people as a whole say they ‘want a job.’ In other words, the ‘real’ unemployment rate for 18-24 year olds may be approaching 30%. Finally, if full-time students are included, then over 40% of this age group are not in employment.



International comparisons

As the table below indicates, high level youth unemployment is not just a problem for the UK but a feature of many Western economies. An August 2010 study by the International Labour Organisation reported youth unemployment at a global average of 13%.

Spain	44.4%
Greece	38.5%
Italy	28.9%
Ireland	26.5%
EU average	20.4%
USA	17.3%

Quoted in *New Statesman* 01/08/11

Data also shows that the ratio of unemployed young people compared with the total unemployed is at least double that for unemployment as a whole.

Spain	2.16
Ireland	2.12
Finland	2.65
UK	2.50
EU average	2.20
USA	1.85

Source *Youth Unemployment: Déjà Vu?* David Bell & David. Blanchflower
(www.dartmouth.edu/~blnchflr/papers/Youth%209-1.pdf)

Graduates and non-graduates

A significant feature of the current rise in youth unemployment is the number of graduates out of work. The Higher Education Policy Institute reported unemployment among graduates aged under 24 had increased by 25% from 11.1% in December 2008 to 14% in December 2009 (*BBC News* 24 04/07/2010). According to another study (www.totaljobs.com), 2 out of 5 graduates have claimed the dole and of those 37% have done so for more than six months. Almost 9% of the Higher Education Careers Service Unit's large sample of 2009 graduates remained unemployed six months after leaving university (www.hecsu.ac.uk). This survey also found some of the highest rates of unemployment in supposedly more 'vocational' areas like ICT (16.3% – up by 3% from the previous year) and accountancy (12.5%).

ONS put the unemployment rate for new graduates at 20% for the third quarter of 2010 (<http://www.statistics.gov.uk/cci/nugget.asp?id=1162>), the highest in over a decade and almost double the rate before the start of the recession. The Association of Graduate Recruiters (www.agr.org.uk) also calculated 48 applicants for every post (*Times Higher* 15/07/09) but a year later, with graduate vacancies falling for the first time since 2003 (a projected decrease of 5.4%), it reported this figure had risen to 79 with 80% of employers only prepared to recruit candidates with a 2.1 or 1st. The Association's 2011 report put the figure at 83% – although AGR argued that prospects for graduates were beginning to improve!

According to *The Independent* (06/07/10), the graduate class of 2010 would also have to compete with the 40,000 who failed to find a job last year. AGR's CEO told *The Guardian* (06/07/10) that graduates needed to be more 'flexible' and if necessary take jobs like 'burger flipping and shelf-stacking'. According to *The Daily Mail* 02/07/10 though, 1 in 3 are already 'on the dole or working in "stop-gap" jobs such as stacking shelves or pulling pints.'

Graduates are increasingly relying on post-graduation 'internships' – unpaid work experience with employers in the summer after graduating and longer – as part of the recruitment process to secure permanent employment. According to graduate consultancy High Flyers Research (www.highfliers.co.uk), a third of graduate vacancies this year will be filled by applicants who have already worked for their new employer as an intern – a majority of employers admitting it was unlikely that an undergraduate without any work experience would get a job. The title of Ross Perlin's 2011 book on the internship boom in the United States, *Intern Nation: How to earn Nothing and Learn Little in the Brave New Economy* is self-explanatory. In the UK, the website www.internsanonymous.com is equally revealing.

'Overqualified and underemployed'

Equally significant is the large number of graduates who remain 'underemployed' and 'overqualified' for the work which they end up doing (Ainley and Allen 2010). While High Flyers reported starting salaries approaching £30,000 for top employers, the HECSU survey found average graduate starting salaries below £20,000 with under £15,000 not uncommon. According to *The Financial Times* (11/08/08), 1 in 3 graduates were not in 'graduate jobs' with 6 out of 10 art and design graduates overqualified for the posts they hold. Other data, based on a breakdown of the employment destinations of 2009 graduates

(www.prospects.ac.uk/links/wdgd), provides a similar picture: 8% in clerical and secretarial positions, 14% in retailing, catering or as bar staff and 12% in ‘other’ non-professional occupations from security staff to traffic wardens.

Results from another study show only about half of all science graduates find work that requires their scientific knowledge. According to researchers at Birmingham University, six months after leaving university, only 46% of engineering graduates and 55% of those from physics and chemistry backgrounds were in work that was related to their degrees. For Professor Emma Smith, one of the Birmingham researchers, ‘the shortage thesis is wrong and there are no jobs waiting’ (*The Guardian* 08/09/2011).

As discussed later in the pamphlet, it is difficult to map skill requirements of occupations with what is accredited by particular qualifications. As employers recruit graduates for an increasing range of vacancies, these jobs are likely to become ‘graduatised’. Nevertheless, increasing numbers of ‘Gringos’ (graduates in non-graduate occupations – Blenkinsop and Scurry 2007) means that other young people are ‘bumped down’ into still less remunerated and more insecure jobs.

As a result, the chances of being unemployed are still much greater the less qualifications a young person has. Those without qualifications, for example, are four times as likely to be unemployed as those with degrees – those with only GCSEs half as likely. Though a recession undoubtedly makes it even harder for those without qualifications to find work, it is still the case that, even in relatively prosperous periods, those without qualifications fare much less well. Even at the height of the Blair boom, data compiled by Danny Dorling for the Prince’s Trust showed that in 2002 unemployment amongst those without qualifications was twice that of those with them (www.sheffield.ac.uk/geography/staff/dorling.danny/reports1) with 44.3% of those who left school at the end of Year 11 unable to find a job.

Getting into work after passing A-levels is likely to be as problematic as it is uncertain. As *Guardian* columnist Jenni Russell observes (*Guardian* 19/08/11), Price Waterhouse received 1,600 applicants for 100 vacancies on its A-level entry scheme and Marks & Spencer 1,600 for 40 school leaver places. As is discussed later, demand for apprenticeships offered by top employers is also well in excess of supply.

Comparing current employment figures with those 30 years earlier is complicated by increased rates of participation in full-time education by those over the official school-leaving age in England of 16 (17 in 2013, 18 in 2015). Just as the Youth Training Schemes of the 1980s turned unemployed school leavers into ‘trainees’, from the 1990s the emphasis was on creating a new generation of ‘students’. Out of almost 2.6 million 16-24 year olds recorded as ‘economically inactive’, ONS data shows 1.85 million fit this category.

Gender and geography

Meanwhile, youth unemployment exhibits clear gender and geographical dimensions with a TUC investigation showing that the unemployment rate for women between 18-24 has almost doubled in certain areas since 2008 – increasing from 5% to 14% in the South West, for instance (*Observer* 13/02/11). With women disproportionately employed in local public sector jobs, a GMB survey of the proposed cuts in 193 councils showed three times as

many women were likely to lose their jobs (www.gmb.org.uk/newsroom/latest_news). The ONS July figures also show that the number of female claimants of Jobseekers Allowance at its highest ever figure.

As part of its response to the 2011 summer riots, the TUC (<http://www.tuc.org.uk/tucfiles/80/respondingtotheriots.pdf>) provided data showing that many of the urban areas where the disturbances took place had particularly high levels of unemployment amongst 16-24 year olds – for example, Hackney 34%, Croydon 25.9%, Ealing 24.9%, Wolverhampton 32.7%, Nottingham 27.6% Manchester 22.8%.

Another survey (http://centreforcities.typepad.com/centre_for_cities/2011/02/youth-unemployment-in-cities.html) found four northern towns – Grimsby, Middlesbrough, Barnsley, and Hull – with over 9% of young people claiming JSA, although ‘claimant count’ totals for unemployment are generally only about 60% of the total from the wider Labour Force Survey. This compared with under 2% in Oxford and Cambridge, though the extent of youth joblessness in the better off south should not be downplayed – Hastings recorded a figure of 8.8%. As Lindsey Hanley argued in *The Guardian* (3/5/11), ‘If you live and are educated in such an area, you may as well live in a penal colony for all that it connects you with a world in which good-quality work, self-confidence and cultural capital... are a given.’

As she points out, this Northern factor accounts for the lowest educational attainment figures for white working-class boys, even though discrimination against other ethnicities, particularly African-Caribbean boys, also depressed their educational and employment outcomes (see Evans 2006). According to the UK Labour Force Survey in Bell and Blanchflower (*ibid*), the unemployment rate can be broken down into white 7.1%, mixed race 17.2%; Asians 11.8%, Black 17.3% and Chinese 4.2%.

Between the ‘snobs and the jobs’

Running through this pamphlet is an assumption that ‘class’ continues to be the major factor in securing a person’s desired labour market placement. Those at the top of the occupational class structure enjoy relatively smooth transitions into elite positions much as they have always done. In addition to obtaining places at top universities, they also have the social connections and the financial resources to secure the sorts of internships that do ensure employment.

At the other pole of society, a significant minority of young people continue to leave the education system without any qualifications. It is this latter group who make up most of the NEET group of 16-18 year olds – those Not in Employment, Education or Training. This figure has remained at around 10-12% of the population, despite being a focus of New Labour government concern in relation to ‘social exclusion’. The argument of this pamphlet however, is that the crisis of youth employment is much more widespread, running through what could be considered to be the new ‘working middle’ of society (Ainley and Allen 2010) rather than just the ‘new poor’. As the introductory paragraph makes clear also, the crisis is as much about underemployment as it is about straightforward joblessness – though, of course, this should never be underestimated.

As the section about education and employment below will emphasise, large numbers of ‘ordinary’ young people who have remained in education on the advice of their parents and teachers, as much as from pressure by government – in many cases incurring large debts on the way – now find they are ‘overqualified but underemployed’.

Why can’t young people get the jobs they want?

A skills problem?

Employers’ representatives continue to moan about young people being poorly equipped to enter the labour market. Sometimes the complaints focus on low standards of numeracy and literacy, sometimes on ‘poor inter-personal skills’ or ‘aptitudes’/ ‘attitudes’. After nearly 30 years of continued economic growth, the return of economic stagnation/flation in the 1970s also resulted in growing criticism of the education service and a ‘Great Debate’ about what the priorities and responsibilities of schools should be. Since then, education has been under pressure not only to raise standards but also to improve ‘employability’. Yet, as Glenn Rikowski has observed, employer ‘moaning’ about the inadequacies of young people is perpetual:

‘The National Curriculum, SATS, league tables and then Ofsted, together with the new focus on standards early on after 1997 and then the introduction of the literacy and numeracy hours – school leavers’ reading, writing and maths are still inadequate for employers!’ (Rikowski 2006)

Policy responses to ‘employer demand’ for ‘higher skills’ are part of a more general ‘human capital’ approach to the labour market. Human capital theory not only considers that the overall performance of the national economy is closely related to the general level of education and training enjoyed by the population; it also explains wage differentials through the differences in the value of human capital possessed by individuals. As in neo-classical economic theory, workers are rewarded according to their ‘marginal productivity’; the higher educated earn more than the less educated because, as competing ‘factors of production’ they add more value. As with investment in physical capital, individuals invest in human capital so as to increase their economic rewards – with this having a positive impact on economic output as a whole.

Under Blair and Brown, ‘education’ – or rather encouraging young people to acquire more qualifications – became a key ‘economic’ policy of the government. For New Labour, the globalised economy of the 21st century provided ‘more room at the top’ for those with high levels of educational qualifications, but also, because the number of unskilled jobs were said to be declining rapidly, a bleak future for those who failed to achieve at school and who only had themselves to blame for not having used an ‘enabling state’ to make themselves employable enough to be employed!

According to Peter Drucker (1993), management guru of the late 20th century, the ‘winners’ in the globalisation race would be the growing class of ‘knowledge workers’. Employed in the new ‘thinking’ occupations of the 21st century, their jobs involved ‘high level problem solving’. Able to work across national boundaries, they would secure high levels of rewards through the application of their skills. The Work Foundation still expects

that by 2020 60% of the labour force will be ‘knowledge workers, using “tacit knowledge” rather than relying on “codified/procedural knowledge”.’ An increase from only 10% in 1970 (Work Foundation 2010, 10).

Constant pressure from government to improve the levels of qualifications held by young people put schools and colleges under the hammer. The level of performance in GCSE and A-levels reached a plateau considered impossible when these exams were introduced for 40% and 5% respectively of the cohort. 67% of secondary students now gain 5 A*-C passes at GCSE and there are well over 800,000 entries for A-level. A raft of new qualifications have also been created to ensure that more and more students are able to succeed – though this is not to deny that, as Alison Wolf points out in her review of vocational qualifications (see further below), a significant minority continue to leave education with little certification of any worth.

Despite this, employers continue to whinge. After 10 years of New Labour – and more than 30 years since General Electric’s MD, Sir Arnold Weinstock’s ‘I blame the teachers’ article in *The Times Educational Supplement* (25/1/76), Sir Terry Leahy, CEO of Tesco, the UK’s largest private employer, accused schools of not teaching the skills needed by his supermarkets, ‘where paperwork is kept to a minimum and instructions are kept simple’ (*Daily Mail* 14/10/09).

The knowledge economy runs out of steam

Arguments about the shortage of science graduate have been refuted earlier by evidence of the shortage of science jobs, but a growing literature now argues that the benefits of the ‘knowledge economy’ have also been exaggerated (see in particular Brown, Lauder and Ashton 2011). At the end of the 20th century, the TUC pointed out that ‘high skill white collar work’ made up less than 40% of total employment (TUC 2001). In comparison, those working in lower paid service jobs, such as clerical, sales and secretarial, hotel and catering, shelf-fillers and cleaners, made up 42%. Similar Labor Ministry data from the USA also shows increases in the number of new professional occupations like ‘software engineers’, ‘management analysts’ and ‘medical scientists’ – occupations receiving salaries of \$75,000 plus – being much less significant than the increase in ‘personal care’ and ‘home aids’ on salaries of around \$20,000 (www.bis.gov/oco) – what Scott (2008) calls ‘technicians and para-professions’ who now undertake ‘many of the kinds of tasks... once performed by mainstream professionals’.

Claims that it is an increase in high skilled jobs that have exerted an ‘economic pull’, encouraging young people to stay on in full-time education, are also refuted by Alison Wolf in her review of vocational education for the Coalition government (Wolf 2011). Wolf confirms that it is likely most young people have been ‘pushed’ into staying on in school or college because of the lack of well paid jobs. She quotes Labour Force Survey data for 2007 to show that only 8 million employees can be considered to have ‘knowledge intensive’ jobs, compared with nearly 20 million who have not. The 2006 Leitch Report had previously argued that, although the UK had more university graduates, it had fallen behind in ‘intermediate’ skills. As the recession deepened, government also replaced an emphasis on ‘upskilling’ with the need to ‘reskill’ the unemployed (Ainley and Allen 2010, 78).

Brown, Lauder and Ashton (2011) challenge the idea that Western industrial economies are ‘magnets’ attracting high skilled knowledge-based jobs – leaving low skilled work to the low

waged 'poor' economies. As with human capital theory in general, it was assumed, that high skills would continue to attract high wages. China alone, however, now has more graduates than the USA and 10 times as many as the UK, so that there has been a 'globalisation of high skills' but not a globalisation of high wages. On the contrary, Brown *et al* argue, the spread of new technology and new techniques of production across the world, along with a glut in the number of graduates, has resulted in a 'levelling down' of remuneration.

Even the Work Foundation now adopts a more sober approach, reporting survey results showing that from a 'core' knowledge worker group, comprising 'leaders and innovators' – making up 30% of the workforce, only a third (10% of all workers) were performing 'high intensity' knowledge jobs that combined high level cognitive activity with high level management tasks (Work Foundation 2009, 4). It also reported knowledge workers were more likely to work longer hours and, in general, did not have the flexibility and autonomy these jobs are assumed to enjoy – with many just as likely to be working a standard 9-5 day (*ibid*, 56). The Foundation added that, with the increased numbers of graduates, 'skills underutilisation' is more significant than any skills shortage (7).

Young people and the labour queue

An alternative explanation of labour market recruitment sees young people as being in a 'labour queue'. In contrast to the assumption of human capital theory that the individual's future employment prospects and wage level depend on the education, skills and capabilities they bring to the labour market, labour queue theory (Thurow 1975) argues that each job has its particular characteristics and that, as a result, specific knowledge and skills are predominantly acquired by means of on-the-job training.

'The key ingredient in this view of the world is the assumption that workers acquire laboring skills exogenously in formal education and/or training and then bring these skills into the labor market. Possessing skills, they bid for the jobs that use these skills. Unfortunately, the underlying assumption does not seem to be correct for the American economy. Workers do not bring fully developed job skills into the labor market. Most cognitive job skills, general or specific, are acquired either formally or informally through on-the-job training after a worker finds an entry job and the associated promotion ladder.' (77).

Entry qualifications therefore primarily act as a 'screening' device (Raffe 1988), or as 'proxies' in the absence of real information about labour market recruits since employers can usually be assumed to have extremely limited knowledge of what qualifications actually involve. Unable to calculate objectively the particular vocational contribution of various courses of study, employers are likely to select candidates with qualifications considered to have high status by educationalists, especially those from particular institutions. This would certainly help to explain why, for example, classics graduates from Oxbridge, rather than business studies graduates from post-94 universities are over represented in top City firms. It means that education is primarily about acquiring what sociologists such as Pierre Bourdieu have described as 'cultural capital', rather than embodying specific occupational or technical abilities. It also suggests that, rather than countries being prosperous because of their workforce being better educated, the more prosperous they are, the more developed the

education system and the more education becomes important as a means of differentiating people for employment.

The idea that labour market entry is based on a labour queue also fits well with the 'credentialist' theories of American sociologist Randall Collins. For Collins (1979), there is little or no connection between the intrinsic characteristics of qualifications and their usefulness in the labour market. Instead, the rate of increase in the level of credentials has far exceeded the increase in the technical requirements of the workplace. According to Collins, the main contribution that education makes to economic performance comes through developing mass literacy. In contrast to human capital theory, where increases in wage levels reflect skills shortages, from Collin's perspective, the fact that particular occupational groups may increase the qualifications needed to gain entry to the labour market reveals only the maintenance of exclusivity and self-protection. As demand increases, professional groups hike up the qualifications required – so as to limit the supply.

While it would be inaccurate to say that this is always the case and wrong to ignore the fact that knowledge and expertise never stand still, there are continual counter-examples of 'professional skills' being broken down and bite-sized to be carried out by armies of 'para-professionals' and 'associates'. If you sell or buy a house, for instance, more likely than not, you will only meet a solicitor when it's time to sign the contract. If you are in hospital, your visits from a doctor may be reduced to a few minutes. If you have a child in school, you may also find they spend more and more time with a 'teaching assistant'. In terms of labour queue theory, an increase in the number of graduates merely 'graduatizes' new layers of this relatively routine employment and 'bumps down' those without degrees in the way described earlier.

Instead of enabling upward career mobility, for many young people the rush to acquire additional qualifications reflects the desperate need to maintain their position in the labour queue. Rather than this being the result of changes in skills, it is a necessary response to the actions of others. Education increasingly becomes like travelling up a downwards escalator, where you have to run faster and faster simply to stand still (Ainley and Allen 2010, 4 & 79).

What price a degree?



Young people now consider a degree very much a ‘normal’ requirement – something that will enable them to secure reliable permanent employment, rather than expecting it will allow them to join ‘the elite’. This was apparent in interviews with sixth-form business studies students nearly ten years ago (Allen 2004): go to ‘uni’ and you could avoid ‘Sainsbury’s jobs’ or ‘a job where you have to stand up all day’. It is no surprise that as the recent recession lingered and with further increased fees looming, there was a surge in UCAS applications – with almost a 12% rise for entry in 2010. Up to 200,000 applicants may have missed places.

The number of graduates not in ‘graduate’ jobs was referred to earlier, yet it is still the case that those with degrees earn much more than those without, though ONS figures (www.statistics.gov.uk/cci/nugget) confirm the gap narrowing. ONS reports that in 1993 graduates earned 95% more, but in 2010 – by which time the proportion of the population with degrees had more than doubled – the figure had fallen to 85%. Within the rush for university places in 2010 however, a further, more significant race was going on. Many universities had announced they were already full before the traditional ‘clearing’ period ended (*Guardian* 10/08/10) but, according to UCAS (*Independent* 01/08/11), even if some 50,000 youngsters were able to find places, another 97,000 of the 200,000 applicants recorded as being ‘unsuccessful’ in 2010 rejected places they had been offered, 83,000 applying again in 2011. This meant finding the right place was harder still in 2011. With undergraduate fees rising steeply in 2012, there will be less inclination for potential students to opt for a gap year in 2011 and many may be put off applying at all.

This situation suggests that even if elite universities are likely to turn away anybody who fails to get the required grades, however narrowly, other, less prestigious institutions will continue to have empty places. It also explains the increasing number of young people who may, because they can’t afford a ‘crammer’, now spend a third year in the sixth-form repeating courses they have already done, with teachers who have already taught them, taking exams they have already passed. A logical strategy from their point of view, maybe; but hardly an endorsement of a ‘learning culture’.

We shouldn’t be surprised either that the Coalition is introducing policies that will in future allow elite universities to recruit more than their allowed quota of students, if they are able to pay their fees ‘upfront’ or if, according to Universities UK President, Sir Steve Smith, ‘middle ranking’ universities start to ‘buy’ top students by offering them fee discounts regardless of parental income (*Guardian* 01/08/11). Smith claimed that Kent University was already offering £2,000 reductions.

Never too old, but sometimes too young

If as a general rule, labour queue theory explains why graduates may be favoured above non-graduates and why graduates from particular universities even more so, it also provides justification for selection practices that would seem irrational using a human-capital model. As well as particular types of qualifications, other factors, not simply economic ones, influence employer decisions in the labour market, notably employer prejudice on grounds of race, gender and ability as well as why some employers may prefer adults – particularly older adults – rather than young people.

In other words, while educational qualifications may be important in setting general benchmarks in high status occupations, at the lower end of the occupational structure, other things may be more important. Go into any big supermarket these days and you'll generally see far fewer young people on the tills and stacking the shelves. In 2010, according to Will Hutton (*Observer* 06/03/11), of the 218,000 new jobs created, nearly half – 104,000 – went to the over 65s. 'Talk to Sainsbury's or any other major retailer and they say they like older workers. They are more reliable, their absenteeism is lower, and customers trust them.'

Of course, many older workers are employed in part-time jobs and the proportion of over 60s in the full-time workforce still continues to be low. However, it is increasing. According to ONS (www.statistics.gov.uk/cci/nugget_print.asp) in December 2010 of those 65 or older 2.7% (207,000) worked full-time, up from 1.2% (106,000) in March 2001, while 6.1% (600,000) worked part-time, up from 3.4% (306,000). This should not be taken to imply that people in their 60s should not seek employment! Falls in the value of pensions mean that many may have no alternative. It is simply to observe that the changes in the economic and occupational structure outlined below will have serious implications for the employment of young people.

In April 2011, with unemployment for 18-24 years olds reaching almost 18%, the rate of unemployment among 50-64 year olds was unchanged at 4.8%, while the rate for those over 65 fell to 1.9% from 2.5%. According to the Prudential Insurance Company, 38% of people who hoped to retire during 2011 had changed their mind, 40% thinking they will have to keep working until 70 to ensure a comfortable income on retirement (*Independent* 12/04/11).

The next section recounts the historical changes that have taken place in the labour market and how these have particularly affected the position of young people in the labour market, compared to other groups. The final section addresses policy issues and argues that, although improving levels of education and training will always be important, youth unemployment is not simply a 'supply-side' problem – one that can be resolved by making young people more 'employable' and more 'qualified' so that we can educate our way out of recession. On the contrary, it argues that youth unemployment is the result of the lack of demand for young people in the labour market. As will be explained later, part of a general programme of economic expansion also requires a specific employment policy by government; involving direct intervention in labour markets and the creation of jobs.

Young people, unemployment and the economy: Whatever happened to youth jobs?

As shown, youth unemployment has increased significantly during the recession. Young people are often the first to be made redundant, particularly if employers follow a 'last in, first out' principle – one that has been supported by many trade unions. Primarily, however, increased youth unemployment is the result of wider changes in the economy – changes which have been accelerated by the economic downturn but not been caused by it.

In 1961 for example, out of a total unemployment figure of 330,000, only 10,000 were under the age of 19. In comparison, during the period between 1972 and 1977, when unemployment as a whole increased by 45%, the rate of increase for young people under 20 was 120%. In 2002, at the height of the New Labour consumer boom, 10% of 18-24 year olds were out of work compared with a 5% overall unemployment rate. The unemployment rate for 16-24 year-olds rose sharply in 2009, from 15% in 2008 to 19% in 2009. The unemployment rate for 16-24 year-olds is now more than three times the rate for older workers.

By contrast, in the post-war years large numbers of young people were employed in manufacturing – the sector generated ‘youth jobs’, many for young men linked to apprenticeships. During this period thousands of young people made relatively ‘smooth’ transitions to the labour market, without any of the ‘vocational preparation’ – not to mention the ‘vocational qualifications’ – now thought necessary and invariably leaving school early before taking their exams.

This process was enhanced by the existence of relatively localised industries. ‘Classic’ sociological examples of this were young men following their fathers into traditional industries like mining (Dennis *et al* 1957) but there were many other cases of particular towns and cities being dominated by one or two large employers where ‘informal’ recruitment patterns continued to be as important as those based on qualifications. In these situations, the transition from school to work was often also a ‘collective transition’ – school friends going on to become workmates, even if minorities and young women often lost out.

The decline of manufacturing

Although manufacturing experienced a long-term decline – once ‘the workshop of the world’, Britain had been overtaken by Germany and the USA by 1900 – the importance of manufacturing as an employer of young people in post-war Britain can never be underestimated with high demand for all types of manual labour drawing in one third of all school leavers (Mizen 2004, 51). In 1950, 33% of boy and 8% of girl school leavers entered apprenticeships (Finn 1987, 55). By the mid-1960s, up to a quarter of a million apprenticeships were on offer each year (Mizen *ibid*). Despite being ravaged by the economic crisis that followed the end of the post-war boom, in 1979 the manufacturing sector still made up 28% of economic output and employed 26% of the workforce but by 1999 it had fallen to 18% and now accounts for just less than 13% with services now 75% and construction 6%.

The years between 1981 and 2001, a period when the City boomed and the housing market ‘bubbled’, saw the loss of 2 million manufacturing jobs, while a further 1 million disappeared in the 2008/10 recession. Figures from the Institute for Employment Studies show that the UK has only 11.4% of its total employment in manufacturing compared with an EU average of 17.3% (quoted by Wolf 2011, 149). Of course, technological advances have meant that productivity has increased dramatically in manufacturing as labour has been replaced by machinery. This is a global phenomena as technology has advanced, particularly in areas like robotics. There are however, other more specific factors that explain the specific decline in the UK’s manufacturing base. For example, in the 1970s, critics linked the deindustrialisation of the UK economy to the growing influence of finance capital over the exchange rate which ‘allows the City to flourish... while industry loses markets and has its profits squeezed’ (CSE 1980, 29). In other words, speculation became more profitable than productive investment, returns on which continued to fall. More recent commentaries have focussed on the way in which the general ‘globalisation’ of production has increased the level of outsourcing to new centres of production such as China and India – where workers are ‘cheaper, more abundant and receive fewer labour rights’ (Turner 2008, 10), resulting in what economists refer to as a loss of ‘comparative advantage’.

Manufacturing jobs have continued to head overseas with more than 1.5 million jobs in this sector being lost since 1997 when New Labour came to power. More recently, as well as outsourcing to the low wage economies of the far East, UK firms have continued to face a resurgent German economy growing at around 4% per annum at the beginning of 2011 and

fanned by Chinese demand for heavy capital equipment. In early July, for example, the UK's last remaining train maker, the Derby based company Bombardier announced it was making 14,000 workers redundant – including many holding skilled ‘core’ jobs – as a result of losing out to German company Siemens over the contract to supply the new Thameslink trains.

While the UK may have lost its competitive advantage in mass production, proponents of globalisation have argued that Britain will be able to remain at the cutting edge of new industries and higher value jobs in research and development. The US drug manufacturer, Pfizer's decision to close its plant in Sandwich, Kent with the loss of 2,400 jobs is a clear example of the dangers of making such assumptions. It is also quite wrong to believe that these new industries can provide anywhere near the employment opportunities of the mass production era. The internet industry, for example, now contributes 7.2% of the UK's GDP, making it the fifth largest industry, just behind the financial sector and more significant than transport and construction together (*Guardian* 28/10/10); yet internet companies only employ 250,000 people, just above the number employed in agriculture but far below the 2.3 million currently employed in manufacturing. Less, in fact, than the number of people employed by Tesco – Britain's largest individual private sector employer.

Of course, politicians continue to celebrate any signs of manufacturing recovery: Business Secretary Vince Cable, for example, fooling the Liberal Democrat Conference by claiming that the 2,000 jobs created by Jaguar Land Rover in the West Midlands was the sort of development that would save the British economy and that recovery would depend on ‘cars not casinos’ (Birmingham Post.net 19/09/11). Cable's comments are farcical. In Birmingham alone manufacturing employment declined from nearly 99,000 to only 49,000 between 1998 and 2008 – particularly as a result of the decline of the car industry with the closure of MG Rover at Longbridge for example (Hatcher 2011). With sluggish growth in the service sector, local unemployment rates remain much higher than average at 11.5% and the city remains a classic example of ‘deindustrialisation’.

Even as the UK continues to slip down the manufacturing league tables, all Western economies have experienced a decline in manufacturing employment. Manufacturing output as a proportion of GDP has also fallen, even if the total output may have increased (‘jobless growth’). In the UK this pattern has persisted in being more pronounced.

A service sector proletariat

Of course, employment in the service sector has expanded – increasing from 60% to over 75% of the working population between the end of the 1970s and today. Almost 3 million jobs were created in the financial and business sectors of the economy between 1981 and 2001 with employment in education, health and public administration also growing by almost 1.4 million during this period. With 12.2% of the working population employed in health and social care, employment in education now represents just under 10%, compared with 4.4% in finance and insurance and 4.1% in information and communication (Wolf *o.c.*, 149). Unlike in manufacturing, many service occupations rely on personal contact and therefore work cannot be automated in the way it can be in a factory.

The growth of a ‘non-manual’ service-based economy, has, it was argued earlier, been linked with the assumption that more jobs are becoming ‘knowledge’-based, ‘professional’ or ‘middle class’ and hence provide upward social mobility from the old manual working class. An examination of the occupational structure shows however, that the post-war

pyramid model of occupational stratification has not become 'diamond shaped' with more jobs in the middle.



Nor has it become 'hour glass' shaped, in the way Wolf implies (as Hutton below). This would mean that the decline in skilled manual work would be counterbalanced by an increase in the number of professional and managerial jobs and would justify both the expansion of higher education alongside relatively low level vocational training. On the contrary, the class structure has gone 'pear shaped' (Ainley and Allen 2010, 81-2). There has been some increase in the number of managerial and professional jobs at the top – but this is nowhere near enough for all those who aspire to these occupations. While at the same time, there has been a large increase in low paid and unskilled work in areas like retailing, catering and the 'care' industries.

Owen Jones describes the dismal experiences of call centre workers where computers dictate the time and duration of breaks, where workers have to put their hands up to go to the toilet and where 'higher-grade' operators can be on as little as £16,000 (Jones, 2011). The occupational structure is becoming increasingly 'polarised'. The proletarianisation of many 'middle' jobs meaning it isn't possible for people to move up in the way that they used to.

As compared with the period of full male employment after the war, when an expanding economy created room for limited upward social mobility, there has since then been only illusory social mobility as non-manual service employment has expanded at the expense of manual labour. This has been presented as professionalising the proletariat but in reality many of these para-professional occupations are being rapidly 'proletarianised' – teachers are a case in point. Because the official introduction of comprehensive schools from 1965 on was coincident with but not a cause of ending post-war upward mobility, bringing back grammar schools is today presented as a means of restarting it. Increasing selectivity, however, only cements the new social situation as the only mobility remaining for increasing numbers is downward.

According to Roberts (2011), using terminology developed by Goos and Manning (2003) new ‘lovely jobs’ have been created in services – management consultants and business analysts; but there has also been an increase in ‘lousy jobs’ – hospital porters, bar staff and shelf-fillers. UKCES data (quoted by Wolf) shows that the fastest growing occupations in absolute terms are educational assistants (91% increase, up from 252,358 to 483,979 between 2001 and 2009) and care assistants (28% increase, up from 563,112 to 719,453 in the same period) – para-professional roles at best. According to Bell and Blanchflower (*o.c.*), 16-24 year olds are disproportionately represented in jobs in the lower deciles – jobs with lower earnings. They also describe how young people entering lower paid service work are likely, with the disappearance of more ‘skilled’ work, to find progress up the occupational structure more difficult than before.

Before his more recent enthusiasm for the knowledge economy, the changing nature of the occupational structure was something noted by Will Hutton who estimated almost 30% of the adult working population were either unemployed or economically inactive (Hutton 1995, 108). Above this group, he thought there exists an ‘insecure’ and ‘marginalised’ middle and at the top of the hour glass a privileged 40% of full-time and permanently employed workers, although even many of these earned less than the average wage. Since then, the bottom has dropped out of the egg-timer and the sand is running out!

Assessing these changes is important, because the service sector has not created the necessary new youth jobs needed to replace those of the manufacturing era. The ‘mechanisation’ of the office in the post-war period resulted in the creation of a new white-collar/ white-blouse proletariat – academic qualifications were never really necessary and work was, at best, semi-skilled. Nevertheless, offices provided employment openings for working-class girls and were an attractive alternative to factory employment. The ‘automation’ of clerical work, however, has resulted in the disappearance of the ‘office junior’ and the typing pool, even if it has multi-skilled many administrators, while simultaneously (para-)professionals are held accountable for keeping their own (on-line) records to meet their targets.

Employment ‘after the recession’

On coming to power, the Coalition government produced an economic plan to restore growth to the UK economy. Integral to this has been its argument about the need to reduce the size of the fiscal deficit – the difference between government spending and government income. Reducing the deficit through an ‘austerity’ programme is merely, it is claimed, the first stage in ‘rebalancing’ the economy. A reinvigorated private sector will, the Coalition argues, more than compensate for the loss of over a million jobs in both the public and private sector as a result of budget cuts – something an increasing number of economists consider to be very unlikely.

While Osborne downgraded his budget growth forecast from 2.1% to 1.7% for 2011 in the spring of 2011– well below the level needed to stop unemployment falling – others, like the British Chamber of Commerce and Industry, declared that a 1.5% forecast might be more realistic. Even this appeared optimistic with ONS publishing figures to show that the economy had only grown by 0.7% in the year to June 2011 and by 0.2% in the last three months, so that it had only recouped 2.5 percentage points of the 6.4% fall in output suffered during the recession. Subsequently, the IMF has downgraded its growth predictions for the

UK in 2011 to 1.1%, commenting also, that the global economy is entering a new ‘dangerous phase’

A survey by the CBI found that after some increased optimism in the first quarter of 2011, growing number of companies in the industrial sector are now gloomy about the next year and plan to restrict investment and cut jobs. The CBI said that not since the depths of the recession in 2009 had manufacturers adopted such a downbeat view, with expectations of slower activity ‘driving a reappraisal of forward-looking business plans’ (www.cbi.org.uk/ndbs/press.nsf). It also reduced its own growth forecast for 2011 to 1.3%.

Meanwhile, a survey by the British Retail Consortium (*Guardian* 28/07/11) showed job cuts in the retail sector accelerating as shops prepared for a rocky year dominated by weak consumer spending. A survey of high street stores found that retail employment fell 0.7% in the year to June, adding to declines in the previous two months. Some 10% of the UK workforce is employed in the retail business. During the three months to June more than 3,100 full-time jobs disappeared as shops, mostly in the non-food sector, cut employment costs. A quarter of retailers said they would be shedding staff in the next three months, compared to 8% in the same month last year. Young people particularly rely on this sector for employment or to supplement their student incomes.

Part-time Britain:

Though the Coalition have claimed 500,000 new private sector jobs have been created since they came to office, a large majority of new private sector jobs are only part-time and in sectors of the economy not associated with helping young people secure a permanent place in the labour market. Amongst the employers invited to the Cameron’s ‘job summits’ at the start of 2011 (*Telegraph* 08/01/11) were two of the UK’s leading part-time employers, Sainsbury and McDonalds. There are currently just under 8 million part-time workers, compared with 21 million people who still work full-time. This has reduced the average time worked to just under 32 hours per week, although the average for men is still 36.3 – reflecting the fact that women continue to form the majority of the part-time work force. Part-time working as a proportion of the total of those working increased from 21% to 25% between 1984 and 1999, a rise of 1.5 million jobs in total. While part-time working undoubtedly suits many adults, ONS monthly statistics show more than 1.2 million part-time workers (17% of all those who work part-time) giving ‘could not find full-time job’ as their main reason for their part-time employment. A similar picture arises from looking at the statistics for ‘temporary work’, where over a third of the UK’s 1.6 million ‘temps’ cannot find the permanent employment they would prefer.

The dangers of a ‘job loss recovery’ are now increasingly recognised. No more so than at the 2011 World Economic Forum in Davos, where Philip Jennings, General Secretary of the UNI global union, told delegates that the destruction of secure employment opportunities was ‘more than a cyclical problem; it is a structural problem’ (*Guardian* 27/01/11). He could not have been more right.



What can be done about youth unemployment?

Make education more relevant to the demands of the workplace?

As noted, recent years have seen increased staying on in full-time education. The proportion of all 16-24 year olds in the UK who are in full-time education, increased from 26% in 1993 to 38% in 2007 and 42% 2011, yet data from the OECD suggests that the proportion of the young who are in school is considerably higher in, for example, Belgium (60%), Finland (56%), France (61%), Italy (57%), Luxembourg (69%) and Sweden (57%).

Yet in many respects, education has little direct economic function, being primarily concerned with maintaining and heightening divisions between learners. As a consequence, we argue that education will increasingly experience its own credibility crunch (Ainley and Allen 2010). The most visible signs of this may be in higher education where many students will not pay trebled fees. According to LSE research, a new £9,000 cap on tuition fees would result in the university entrance rate decreasing from its 2008 level by 7.51 and 4.92 percentage points for boys and girls respectively, as young people reassess the benefits of HE in relation to its costs. (cee.lse.ac.uk/ceedps/ceedp127.pdf).

Younger students further down the system, particularly those with older brothers and sisters, will also be increasingly aware that travelling down the university road might not be all that it is cracked up to be; even if that has little to do with work or study and is mainly about the transitional experiences of being a student at campus and other universities (see Cheeseman 2011).

Despite this, could it still not be the case that by changing the type of education delivered in schools, colleges and universities, young people may become more attractive to employers when they recruit from the labour queue? After all, the successful Asian 'tiger economies' put more emphasis on science, technology and engineering and in Germany, currently by far the most successful of the European economies, a strong technical and vocational emphasis remains.

The 'dysfunctional' nature of the traditional academic subject-based curriculum, so strongly endorsed by the current Education Secretary, Michael Gove, continues to come under attack from many employer representatives. They have been joined by a growing number of educationalists who have promoted the importance of a 'skills-based' curriculum, rather than one that is based mainly on cramming 'knowledge' (or, rather, disconnected bits of information for subsequent regurgitation in written examinations). Examples of such objections can be found in publications by the Royal Society of Arts (www.thersa.org) and the educational charity Edge (www.edge.co.uk).

This perspective could be described as 'post-Fordist'; it argues that business and industry now need a more flexible workforce, one that is able to 'flexibly multi-task', whereas the current school curriculum was developed for an economy based on mass production separating manual from mental labour. There have also been attempts to develop specific 'vocational pathways' in schools from age 14. Most state secondary schools now offer BTEC type courses. The Coalition also proposes to introduce University Technical Colleges, pioneered by Lord Baker, the creator of the National Curriculum and a token dozen City Technology Colleges run independently of local authorities under Mrs Thatcher's government.

It has been argued above, however, that education largely confirms pre-existing and more or less expensively acquired cultural capital and that, as a result, a curriculum constructed around liberal humanist values can function as successfully as a social selection mechanism as one claiming to reflect technical or vocational skills. Even if some employer representatives promote the importance of a more vocational curriculum, there's little proof that individual employers – particularly the small and intermediate majority of employers – will give applicants with less traditional and qualifications higher priority in the queue. Many employers often know little about and have little interest in vocational qualifications, as has been only too apparent in their limited participation in the failed 14-19 specialist diplomas (Allen and Ainley 2008). Arguably, 'vocational' or 'applied' pathways in schools are as much about dividing learners – a means of social control, rather than developing real skills ('sending the naughty boys to college', as former-HMI Woodenhead used to say!).

Are apprenticeships the future?

Part of this apparent return to vocationalism (together with talk about reviving the productive economy) was the announcement by the Coalition in its 2011 budget of 50,000 new apprenticeships to bring the total to 250,000 by 2015. According to Professor Wolf, apprenticeships provide a much higher return for young people compared with school and college based full-time vocational education courses. This is because they provide practical experience in the workplace. The problem though, as Wolf identifies, is that, despite the success of oversubscribed apprentice schemes 'offering good salaries and quick promotion' - in 2010, for example, BT had more than 100 hundred applicants for each of its training places while Network Rail had 8,000 applicants chasing 200 places – only 1 in 10 firms offer apprenticeships at all.

It is also the case, Wolf points out, that in 2007/8, less than half of apprenticeship starts were by 16-18 year olds – a 7% fall from previous years (Wolf, 165). In further evidence to Wolf, UKCES reported that the demand for apprenticeships exceeded supply by more than 15.1. In the future, we can expect an even larger proportion of apprenticeships to be provided by FE colleges or by private training organisations and, like the Youth Training Schemes of the

1980s, described by Finn 1987 as *Training Without Jobs*, they will be little more than ‘Apprenticeships without Jobs’.

Government supporters may point to the 114,000 apprenticeships that have already been created – more than double their original proposals of 50,000 (www.chestertm.com/2011/06/23/coalition-meets-gordon-browns-apprenticeship-targets-that-labour-failed-to-deliver/) but it is not clear how many of these are specifically for young people or how many may be existing jobs that have been repackaged to meet targets and make money. Neither is it clear how many of them may be short-term – maybe for a few months at best. They are certainly not the legally binding indentures of yesteryear that guaranteed employment on completion because, again, employers do not require such ‘time serving’.

We need a different type of education

Nevertheless, calls for a new type of vocational learning and the creation of more apprenticeships will only find resonance with young people if they are accompanied by guarantees of jobs. Rather than promoting economic advance, the current pseudo-vocationalism combined with traditional academicism essentially prolongs the old model of post-war secondary tripartite schooling separating technical from grammar schools and in the latter, still separating *Two Cultures* of arts from science – leading to Google chief, Eric Schmidt, describing English education as producing either ‘luvvies or boffins’ (*Guardian* 27/08/2011). David Willett’s drastic resolution of this nearly 60 year old division is to simply cease funding arts and humanities courses in HE!

Education reform could, on the other hand, be important as a new type of collective agent bringing people together in an increasingly fractured society. Rather than churning out qualifications that are increasingly ‘worthless’ in a declining labour market, educational institutions could serve as places where young people can develop critical awareness of the workplace – learning about work and not just learning to work.

With schools and colleges reporting a renewed interest in studying economics instead of Business Studies, there is huge potential, for example, to develop a new ‘economic literacy’ (Ainley and Allen 2010) and a new social understanding. This is also the end to which what Solomon and Palmieri call *The New Student Rebellions* have dedicated themselves, to show that ‘we are not the post-ideological, apathetic generation we have so often been labelled as’ (Casserly 2011, 74). Rather than being ‘left to the teachers’, the development of such a ‘really useful curriculum’ would have to be the product of much wider discussion across labour movement, green and progressive forces aimed at a full-employment but no growth green economy (Allen and Ainley 2011).

In fact, it would seem essential that curriculum change takes place if education is to continue to be taken seriously by young people. The raising of the school leaving age (RoSLA) to 16 in 1972 resulted in widespread hostility to school from many young people who clearly didn’t want to be there. RoSLA2 when, by 2015 all young people are required to be in either full-time education or work-based training puts schools, colleges and universities in danger of becoming ‘holding camps’ for disengaged youth (*Guardian* 13/09/11), especially when they are expected to pay so much for being there!

Supply or Demand? The economics of youth unemployment

Paul Gregg and Richard Layard (www.cep.lse.ac.uk) have demonstrated that the economic returns from creating employment for young people are greater than the cost of keeping them on the dole; not to mention the devastating and permanent social and psychological effects of a prolonged period of idleness on a young person – known as ‘scarring’. In this, they are merely repeating the arguments of Keynes in his *General Theory* that increasing the level of spending increases levels of earning, generating additional tax revenue to cover the original spending and so on.

So, rather than concentrating on ‘improving’ the supply of labour, the main problem is the lack of demand for youth labour. The previous Labour government’s Future Jobs Fund (FJF) represented a step in the right direction, adopting the premise that if jobs were not available they would need to be created. Under the £1 billion scheme, local authorities and voluntary and private sector employers could be subsidised by up to £6,500 to take on a jobless young person. The 150,000 new jobs were to be ‘socially useful’ and 10,000 had to be ‘green’. FJF was not without its weaknesses. Jobs were only guaranteed for six months and were relatively low skilled and at the minimum wage. Nevertheless, FJF was described by the TUC *Touch Stone* website as ‘the most progressive employment programme for a generation’ (www.touchstoneblog.org.uk) and it did at least stabilise youth unemployment and was radical enough that FJF was one of the first things abolished by the Coalition.

Denouncing FJF as expensive and ‘bureaucratic’ the Coalition’s ‘work programme’ was launched in July 2011. Essentially, private contractors will be encouraged to find employment opportunities and be ‘paid by results’; for example, they will receive £4,050 for finding a job for an 18-24 old who has been on Job Seekers’ Allowance. As the Work Foundation argues:

‘The programme’s success is really dependent on the speed of economic recovery and the availability of suitable job vacancies for participants. This could be difficult as the programme’s minimum success criteria are in most cases above that which have been achieved by other employment programmes during times of economic growth.’

(www.theworkfoundation.com/pressmedia/news/newsarticle.aspx?oItemId=487)

We can’t leave it to the market: new strategies for youth and education

It is over-optimistic to believe that keeping public spending at existing levels, cancelling out the Coalition’s VAT rise and even keeping interest rates at rock-bottom, is going to be enough – and it’s certainly not good enough to argue, as New Labour do, that the deficit should be reduced more slowly. Alternative economic policies must start with a Keynesian injection of ‘demand’. Yet as has been argued, the UK economy continues to suffer from its own ‘supply side’ problems which are reflected in the decline of its manufacturing base. It is of course important to encourage investment in manufacturing, but the expansion of manufacturing and the huge productivity gains that would result from investing in the latest technology, would do little, at least immediately, to seriously reduce unemployment.

Key to restoring the health of the economy and avoiding the ‘disincentives’ and ‘inefficiency’ that free-market economists object to, is the expansion of the public sector through what ‘old-fashioned’ socialists used to describe as a ‘programme of public works’. Extending but also using public ownership of major parts of the financial sector will also ensure that credit flows

are unlocked and that the self-employed, small- and medium-sized enterprises are able to borrow the money they need.

Rather than the large bureaucratic national corporations of the post-war years, the local state can be used far more strategically. Providing local authorities are given the power and the financial resources to do so, they can work alongside local voluntary sector agencies to provide and support secure employment opportunities and high quality services. In addition to restoring housing, education and improving local infrastructure, local authorities can play a key role in the creation of new 'green' initiatives (see The Campaign Against Climate Change's *One million climate jobs Now!* 2009).

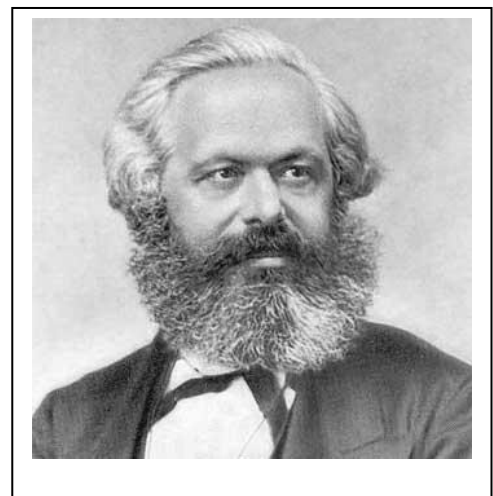
Local Authorities and local public/voluntary sector alliances are crucial in generating real apprenticeships linked to real job opportunities, something Brighton's new Green council has started to initiate (www.greenparty.org.uk/news/17-08-2011-brighton-apprenticeships-html). They can also play an increased role in developing other opportunities for young people for example, by introducing quotas for employment as conditions of Council contracts, purchasing agreements, planning permission and grants. LAs can also act as a network of local employment boards where employer vacancies can be matched to young people's needs and where, to borrow language from the financial sector, local councils can act as a 'provider of last resort' for those young people still without employment.

Can the 'Lost Generation' find its way?

Top down policies, if they are to help young people will, however need to have the active support of young people themselves – but it's often argued that as a result of their increased marginalisation from mainstream society, young people are also alienated – or at best 'disinterested' in politics.

Young people – a new 'reserve army' or a 'non-class'?

It has been argued above that mass youth unemployment is a structural feature of the economy and has been for many years. The current cohort of jobless youth continue to be represented as a *Lost Generation* (Ainley and Allen 2010), unlucky to be finishing their full-time education at a particularly difficult time and in danger of being left behind if the labour market and the economy ever recover. In what is beginning to be called the current 'great recession', it has been suggested (Ainley 2010) that young people now constitute a large part of what Marx referred to as a 'reserve army of labour' (RAL).



The reconstitution of the RAL involved in the resolution of the latest capitalist economic crisis goes further than in the 1970s and involves education to an extent it has not done before. There was though a precedent for what we call 'Education without Jobs' (Ainley and Allen 2010, 13) in the *Training without Jobs* described by Finn in 1987. Yet while the size of capital's reserve army is generally assumed to be related to the pattern of the business cycle, Gorz (1980) has referred to a permanent 'non-class' within post-industrial capitalist economies:

'This non-class encompasses all those who have been expelled from production... or whose capacities are under-employed as a result of the automation and computerisation of intellectual work. It includes all supernumeraries of present day social production, who are potentially or actually unemployed, whether permanently or temporarily, partially or completely.' (Gorz 1980, 68)

Gorz uses 'non-class' with reference to the classical Marxist sense that this group, because of its disparate nature, is no longer able to develop the class consciousness of the traditional working class – now, according to Gorz, representing a privileged minority of the population. When published, Gorz's arguments may have been rather premature, but at the start of the 21st century deserve to be revisited as they have been by Standing below.

Marxist theory has yet to confront situations where, as in the case of countries like the UK, large numbers of the working population remain outside of mainstream labour as a normal state of affairs – quick calculations suggest that no more than about 40% of those of working age are in full-time permanent employment. In particular, Labour movement organisations, not to mention socialist parties that seek 'to lead the working class', also have to understand and adapt to these changes if they are to become creditable with marginalised youth. This is also the conclusion of Guy Standing who identifies young people as a major component of what he describes as an emerging *Precariat* – a new and 'dangerous' class differentiated from the core working class in terms of its lack of employment and economic insecurity (Standing 2011).

It's certainly the case that in the past year young people took to the streets with students protesting against fee rises and abolition of Educational Maintenance Allowances followed by a hard core urban youth riots. On both occasions, the media focussed on the violent scenes – clashes with police and attacks on property, claiming student protesters were infiltrated by anarchists and that rioters were 'classless'; but it is true these two groups would seem to represent very different constituencies.

On the one hand, the student protestors can be defined as middle- or 'aspirational' working-class. They've played by the rules and worked hard at school but quickly became politicised in response to the way university is being put beyond their reach and that of their younger brothers and sisters. Despite government and opposition promises, they realise their generation will be the first to be worse off than their parents. Even if many will eventually find work, in many cases it will not be anywhere near commensurate with their hard earned qualifications and may be part-time and 'para-professional' at best.

On the other, the urban rioters – *The Guardian* (12/08/12) estimating that almost 80% of those up in court were under 25 – the 'criminals who shame the nation' as *The Telegraph* called them (10/8/11) – have become marginal to society. Failed by an academic education system, without work and without hope, they no longer play by any rules. They are the grandchildren of the 1980s 'YTS generation'. Not having any commitment to 'fairness' or any faith in 'justice', they were referred to by the New Labour acronym of NEET. They have become youth's new 'underclass'. Not 'political' compared to the students, according to some Manchester youngsters interviewed by *BBC News* (11/08/11) – though not we assume,

charged with any of the violence – the riots were ‘the best protest ever’ against a system that denied them access to the consumer goods they see flaunted around them.



There have been opportunities for these two groups to come together – working-class FE and sixth-form students joined the student protests against fees and to demand the restoration of Educational Maintenance Allowances. The number of young people who have taken to the streets still remains comparatively small however and, while it may not be accurate to see all young people as part of a ‘new class’, it is certainly the case that organisations that claim to speak for ‘the working class’ need to change dramatically. In the post-war years many young people came into contact with trade unions as a result of making the ‘collective transitions’ described earlier. Becoming part of a clearly defined occupational group often meant they inherited a collective ‘shop-floor’ culture. Today however, lacking any real work-based identity and not feeling part of the solidaristic labour movement, many youth see unions as protecting benefits enjoyed by some older workers that they can never anticipate having themselves. The appeal to follow their teachers and lecturers in protecting their pensions often falls on deaf ears, for instance.

Labour organisations have traditionally geared themselves to the workplace, yet the extent of unemployment and the state of the economy outlined earlier shows that for more and more people – particularly the young – ‘work’ will play a much less central role in their lives. Of course, those workers who enjoy pension rights need to take strike action to defend them. But, labour movement organisations that have represented many of their parents so well also need develop and promote specific policies and state intervention to guarantee employment and provide economic security for a generation of youth people if fears about a growing precariat are not to become a reality.

Key to this is the need to develop and promote new ideas about ‘work’ and how the huge increases in productivity could enable it to occupy a different role in our lives. If work will always be part of what Marx referred to as ‘the realm of necessity’, then its democratic reorganisation could mean work-sharing between the overworked and the underemployed, creating a situation where everybody was able to work less, but also to work ‘better’ as Gorz (above) argued – and without a significant fall in their current income. Rather than leisure being simply the time left over from work, it could, Gorz argued, become the new ‘sphere of freedom’.

Teacher organisations face particular challenges. The ending of a period in which education was seen as a vehicle for challenging social inequalities by increasing individual mobility, means that the traditional teacher union politics, no matter how militant, that equate the professional interests of their members with extending education provision, will no longer

do. These activities now need to become part of a more general programme for advancing the interests of young people and the future of society

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