

**YOUNG WORKERS  
DURING THE CRISIS:  
HIT HARDEST  
AND SCARRED  
LONGEST**

**Union**

# YOUNG WORKERS DURING THE CRISIS: HIT HARDEST AND SCARRED LONGEST

**Author: Dr Melanie Simms**

Dr Melanie Simms is Associate Professor of Industrial Relations at the University of Warwick. She has researched extensively on themes around work, employment, youth, and trade union revitalisation. Her forthcoming book is written with Jane Holgate and Ed Heery and is titled *Union Voices: Tactics and Tensions in UK Organising*. It will be published with Cornell University Press in November 2012.

**Other contributors:**

*A view from Nautilus* – Garry Elliott, International recruitment & organising  
*A view from Prospect* – Dai Hudd, Deputy General Secretary

**Edited by**

Jenny Simms

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## Unions21

**Registered office:**

Unions21  
c/o ATL  
7 Northumberland Street  
London WC2N 5RD  
[www.unions21.org.uk](http://www.unions21.org.uk)



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# YOUNG WORKERS ARE IN CRISIS

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**The financial and economic crisis that the UK has experienced since 2008 has hit them particularly hard.**

**F**rom the early 2000s it became clear that some young people were struggling to find work and a growing number were 'not in employment, education or training' (NEET). The shock hitting the labour market from 2008 onwards has seen youth unemployment rising rapidly and it has remained stubbornly high (Labour Force Survey 2005 – 2011). We know that early experiences of unemployment can 'scar' young people for the rest of their lives, associated with reduced wages, more problematic health outcomes, increased likelihood of future periods of unemployment and other social problems (Gregg and Tominey 2004, Scarpetta et al 2010). People who experience long or repeated periods of unemployment when they are young are likely to experience worse outcomes.

We also know that precarious work hurts young people. Although there are lengthy debates about what precarious work means within the UK context, we can at very least define it as those who are in temporary work when they would prefer a permanent job. By this measure around a third (32.5%) of the young workers who are in temporary employment are there because they cannot find a permanent job (Labour Force Survey 2011). There is mounting evidence from around the EU that this kind of involuntary temporary work may bring with it similar scarring effects if it is a long term feature of employment.

Added to the difficult state of the labour market for young people, educational opportunities are also challenging. Although the government remains committed to raising the school leaving age to 18

by 2015, some leading economists are so worried about the pressing need to provide educational opportunities to young workers that they are urging this target to be brought forward (Blanchflower 2012). Importantly it is widely agreed that any requirement to stay in education would not necessarily be focused on only academic achievement, but also gaining practical and vocational skills for the labour market. The intention is to attempt to address employers' concerns about young people not being provided with an educational background that makes them ready for work.

At the higher end of educational achievement, opportunities for young people to move into higher education seem to be being affected by the changes to higher education funding. Shifting the responsibility for funding higher education onto young people and their families may be acting as a disincentive for some applicants despite efforts by higher education institutions to provide bursaries and to explain the changes to borrowing mechanisms.

One of the phenomena that we have good evidence of is that as young people are becoming job seekers, their expectations about the roles they can look for and the work they accept seem to be ratcheting downwards. So graduates are accepting work that does not require degree level training, A-level students are accepting work that previously would have attracted those leaving school at 16, and those leaving with few qualifications are finding it difficult to enter the labour market at all. In particular, young people

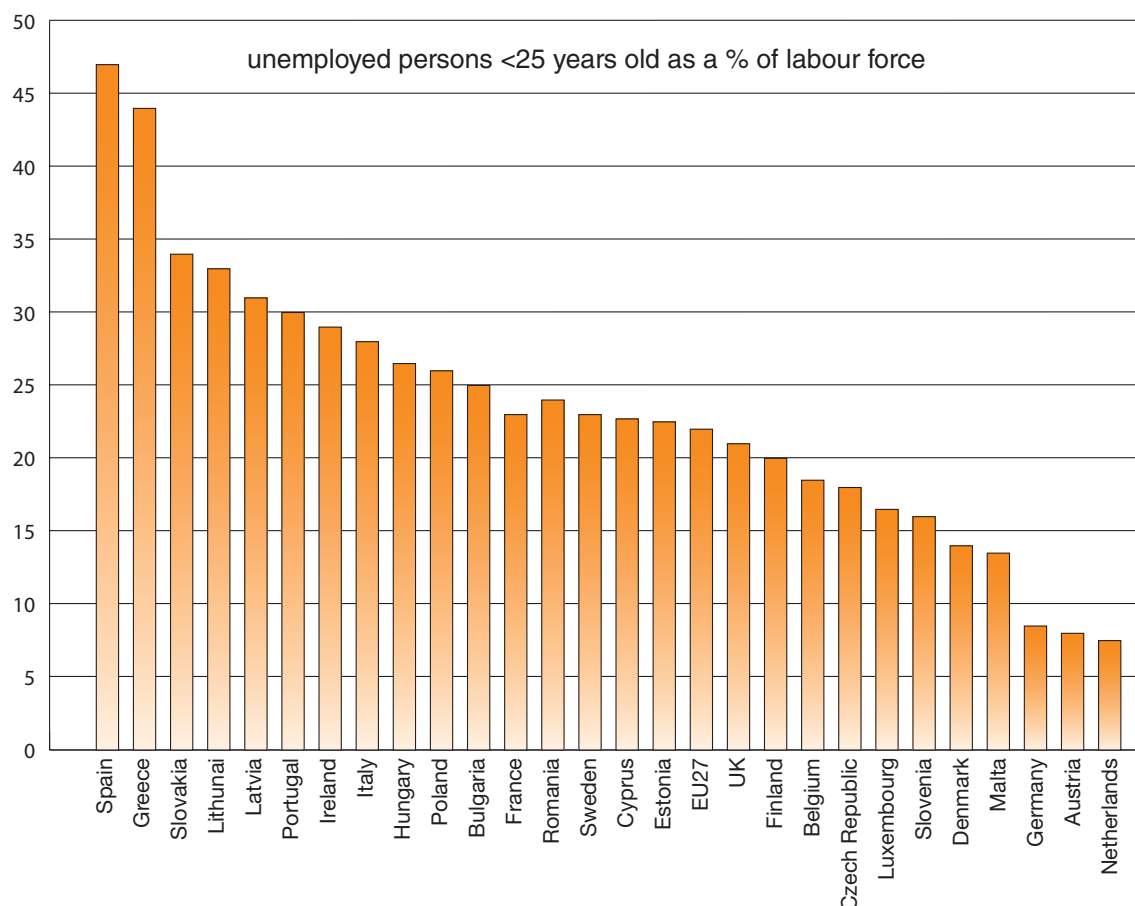
with few qualifications are struggling to find permanent work. This matters because we know from excellent long range studies (Shildrick et al 2010) that people can often find themselves in “poverty traps”. Far from wanting to become dependent on social security, these people move in and out of low skill work that is often temporary and physically demanding. A snapshot of this is captured in the information that around half of people claiming Job Seekers’ Allowance have made previous claims within the past six months. This shows us how difficult it is to find long term, secure jobs in many areas of the labour market.

So why do people get trapped in these cycles of short-term, poor quality, low-wage work interspersed with periods receiving social security benefits? Often because early experiences of work

have not given them the necessary skills to move into higher qualified work. And also because these jobs are designed like this by employers. Recent debate has drawn attention to the fact that a lot of social security benefits are given to people who are in employment, but who earn so little that the State has chosen to provide additional support. This kind of ‘in work poverty’ traps people into cycles of disadvantage that are difficult to escape from. And these patterns often become established early on in people’s lives.

Recent EU policy documents have also highlighted the importance of providing young people with economic opportunities as being a central issue to the political engagement of the future generation of citizens. If young people’s early experiences are of an exclusion from work

## Youth unemployment



or of poor quality work, they risk being excluded from economic opportunities and the chance to develop a strong sense of being able to contribute to society more widely. Growing levels of youth unemployment and precariousness around the EU have triggered a serious concern amongst policy makers that this generation will fail to see the purpose of engagement with broader civic and political structures. In countries such as Spain, Greece and Italy the problems are far worse than they are in the UK (see Box 1). But we would be wrong to imagine that this is not a problem here. Over 20% (one in five) of our young people are unemployed and there are even more struggling to find decent work.

Ensuring that young people are well-prepared for work and that they are presented with good quality work and training opportunities is crucial if we are to try to avoid some of these problems stacking up for the future. This pamphlet therefore looks what can be done by governments, by employers and by unions to help. Inevitably, there are no simple answers to a problem that emerges from a complex interaction of how labour markets interact with education, social security, and other aspects of social life. But we know for sure that if we ignore the problem, it will come back to haunt us all.

## GOVERNMENT POLICY

**Government policy is, of course, important in helping young workers find good quality work. There are two interrelated issues. First, policies that help create economic growth and improve both the number and quality of jobs available, and second, policies to facilitate the transition of young workers to fill job vacancies.**

**E**conomic health is crucial for the kind of sustainable job creation that is needed to provide opportunities to young people. We have recently seen competing visions of the mechanisms to encourage economic and jobs growth. On the one hand proposals such as those outlined in the Beecroft Report suggest reducing labour market protections such as unfair dismissal regulations as a mechanism for boosting economic growth and encouraging employers to hire more workers (<http://news.bis.gov.uk/imagelibrary/downloadmedia.ashx?MediaDetailsID=5551>).

There is strong evidence to suggest that this is unlikely to generate jobs growth. Even the

Chartered Institute for Personnel and Development (CIPD) find this a problematic assertion and recently stated that: “We know that employers don’t spend all their time worrying about unfair dismissal claims. In fact, according to the Government’s own research, unfair dismissal doesn’t even figure in the list of top ten regulations discouraging them from recruiting staff...There is no evidence that no-fault dismissal would make a positive contribution to economic growth in the UK by encouraging the smallest firms to recruit more employees. Indeed, by increasing job insecurity and reducing employee engagement it would be more likely to damage growth.” (CIPD press release: 7th June 2012).

The point here is that further undermining worker protections is very unlikely to generate employment opportunities for young people and others. So what are the alternatives? It is important to ensure not only that employers generate jobs, but that there are appropriate opportunities targeted at young people, and that those jobs offer the kind of high quality employment that will be essential in ensuring that the UK has a skilled and committed workforce that will be necessary to underpin future recovery. This pamphlet argues that government policy can help provide a framework for this, but that employers – often in negotiation with unions – are ultimately responsible for decisions about who is employed and the quality of the jobs that are offered. Much of the public debate to date has focused on government policy without concern for how it engages employers and unions.

Around the EU, governments have been working hard to mitigate the effects of the crisis on young workers. In many countries there are national and sectoral structures for governments, employers and unions to agree how to help young workers. Most commonly these efforts to ease the burden have focused on providing apprenticeship training, and on providing incentives for employers to hire young workers through various subsidy programmes (for an overview of different programmes see Simms 2011).

In the UK, the coalition government of 2010 signalled a considerable shift in policy emphasis. The Labour government had focused on providing job subsidies to employers through the Future Jobs Fund. There are always ‘deadweight costs’ with these kinds of schemes; in other words, the risk that the government will subsidise an employer who would have hired that young worker even without the incentive. But the political view of the previous Labour government and of most governments around the EU was that the future risk of having a generation of young people without experience of work has shown to be so costly after previous recessions that it was important to spend some money to head off that danger.

That judgment changed after May 2010 and one of the first announcements of the coalition government was to withdraw the Future Jobs Fund. There was then a policy hiatus until April 2012 when the government launched the National Youth Contract. It seems very likely that the gap of nearly two years had problematic consequences for at least some young people trying to access work. Now the National Youth Contract is in operation, government policy has returned to the idea of providing some job subsidies as incentives for hiring young people in local labour markets where youth employment is a particular challenge. This is in line with most competitor countries.

Despite these initiatives, in the UK and beyond much of the discussion around young workers has focused on the number of jobs available. This ignores a very crucial issue of the quality of jobs available. The UK aspires to be an internationally competitive economy once it recovers from the current economic challenges. It is therefore essential that policy makers do not lose sight of long-standing commitments to improve the skills and qualifications levels of employees. This matters both in terms of economic competitiveness, but also because of the extent to which those seeking work (who are disproportionately young people) are compelled to undertake work experience.

The development of ‘workfare’ programmes which compel the long-term unemployed to take forms of work experience – often in very low skill work – often does not reflect the skills and aspirations of those seeking work. Whilst it is important to emphasise to job seekers the benefits of engaging with the workplace, the punitive and potentially exploitative aspects of current policy have recently attracted considerable attention in the mainstream media. Many competitor countries have social security systems that acknowledge that not all job seekers are seeking low skill work and offer more extensive opportunities to seek work at an appropriate level of skill. Workfare also risks embedding the idea that to be ‘employable’ young

people simply need to develop appropriate skills and they will find employment. This misses the obvious problem that there may not be enough jobs or sufficiently good quality jobs for the people seeking work.

Debates about job quality matter more in relation to youth unemployment than may immediately be obvious. A central objective of national and EU employment strategies over recent decades has been to increase the quality of jobs and the skills of employees. It is extremely dangerous to abandon that ambition and consign a generation of young people to poor quality work opportunities in the decades that follow. A key mechanism for achieving this is to ensure that young people benefit from opportunities to engage with training and education opportunities beyond compulsory education. Raising the school leaving age is a

major step in the right direction, but as we shall see in the following section, a great deal rests on ensuring that employers are able to offer appropriate opportunities to young people who choose not to pursue a more traditional academic route. Similarly, a rapid expansion of apprenticeships targeted specifically at young people making their first moves into the labour market would be a real boost to the opportunities open to this group.

But central to all of this is the argument that government policy is necessary but not sufficient to ensure that young people have opportunities for work and employment in the current labour market. What really matters on the ground is how employers respond to these policy initiatives when they are hiring and managing staff. Too often the role of employers in responding to government policy is left out of the debate.

# EMPLOYERS

**What is striking about this debate in the UK – and sometimes beyond – is the lack of attention on the policies of employers. The central argument of this pamphlet is that much more work needs to be done to understand how state policies influence the behaviour of employers. Here, the intention is to outline what we know about how employers behave, to look at how employers have reacted to current policy in the area of youth (un)employment, and to outline policies that seem to be most effective in directing employers towards maximising the opportunities for young workers.**

**T**he first point to note is that employers are very clear about what they want from young people in the labour market: they want workers who have skills that prepare them for the transition into the world of employment. This is broadly true of labour market entry at all levels; from the most to the least skilled work. What is notable is that employers around the UK and

beyond regularly point out a perception that pre-employment experiences (school, college, university etc.) are not routinely producing young people with the requisite skills. The question is therefore whether this perception accurately reflects the reality of pre-employment skills development and, if so, what can be done to address this 'skills gap'.



Despite the fact that of the employers who do hire 17-18 year olds, the vast majority (74%) report that they think they are 'well' or 'very well' prepared for work (UKCES 2011), it is clear from a number of important reviews (most notably the 2006 Leitch Review of Skills and the 2011 Wolf Review of Vocational Education) that there may be some validity to employers' perception that some young people are not entering work with the skills required by employers and that this is particularly problematic for jobs that require lower level skills. These reviews have proposed important changes to education and training systems particularly in relation to the points at which formal education meets transition into employment. Some recommendations have been accepted by the government, notably the commitment to extend education and training to all 17 and 18 year olds by 2015. But many other aspects of these proposals have not been adopted.

Taking first the raising of the school leaving age. Although this policy has attracted criticism, there is a clear intention to build routes through compulsory education that allow young people to develop relevant work experience and skills in addition to the more traditional academic pathways such as A-levels. But a centrally important – and often ignored – issue is that employers will need to be persuaded to participate to help provide these new pathways.

It is crucial to involve employers in the development of these new education requirements. In order to provide employment-focused pathways for the 16-18 year olds who do not want to pursue the traditional academic route, there need to be good options for them to work with employers during the extra time in education. This can only be provided if education providers and employers work closely together to develop opportunities for these young people. It is important not only to involve employers so that workplace learning can be offered to young people who want to focus on developing more practical skills from 16 onwards, but also to ensure

that schools and colleges work to provide a curriculum that more closely reflects the demands of employers.

There are existing examples of innovative practice. Many schools work with local employers to some degree and there are excellent innovations in some areas such as the Studio Schools that design a school curriculum for 14-19 year olds that delivers learning through enterprise projects and work. The objective of those schools is to build strong links with employers and to engage young people in the world of work while they are in education. These are excellent innovations but so far only exist on a small scale. It is clear that as the school leaving age rises there will need to be a more consistent effort to roll out these kinds of ideas. To achieve that, employers will need to be persuaded that there are advantages for them in engaging more systematically with young people's school to work transitions.

Although there are important debates about the balance between providing an education that develops critical thinking and one which provides work-relevant skills, employers are sending a strong message that they do not think that the current curriculum produces enough young workers with appropriate skills. It seems clear that as the notion of compulsory education is extended beyond 16, there is scope to integrate more work-focused skills development into the curriculum. There is an opportunity to reflect further on whether this is provided to all young people, or tailored to particular groups. But the central point is clear; employers need to be involved in the development of this new curricula otherwise there is a very real possibility that both they and the young people will disengage from the process.

Another good example of the need to engage employers is the system of apprenticeship training. The growth in provision of apprenticeships has been an example of noteworthy innovation in the area of work-focused skills development. However, it has recently

become clear that a higher than expected number of apprenticeship training placements are given to older workers. This is not inherently problematic but does suggest that they are not fulfilling the function of helping young people develop their work-relevant skills.

Another weakness with the current system of apprenticeships is that they have not spread evenly through the different sectors of the economy. A particular area of weakness is the public sector. Again, there are some examples of good practice. The Scottish Civil Service is an excellent example of where employers and unions have worked together to provide good quality opportunities for young people. But despite some examples of good practice there have been comparatively fewer apprenticeships offered in the public sector as compared with other areas of the economy. This is an example where there is a clear lack of follow through between policy initiatives and working to engage employers. With around one in five employees working in the public sector there is scope to develop a large number of apprenticeship opportunities. The high levels of unionisation in the public sector are also likely to ensure that apprenticeships offer genuine opportunities for skills development and progression. And, the State can encourage and incentivise public sector employers to take develop apprenticeships much more directly than private sector employers. Yet, there is a large gap in provision in this area.

A further challenge is there is emerging evidence that some employers have been discouraged from engaging in other areas of policy relating to initiatives to schemes to help young people into employment such as the Work Programme. These schemes include some elements of compulsory workfare where unemployed workers are required to participate in unpaid employment in order to claim social security benefits. The negative attention these schemes recently attracted in the press has led some employers to withdraw from provision of these placements, thus illustrating a

further example of how there is a clear mismatch between policy development and employer requirements.

An important point here is that it is unrealistic to imagine that employers will act altruistically to provide opportunities to young people. If other groups (older workers, new immigrant workers, etc.) present employers with better value for money in relation to the skills they bring into the workplace, it is unsurprising that employers may express a preference for offering work to those workers. Again it is important to reiterate here that this trend has been visible prior to the current economic difficulties. The current crisis has exacerbated long-term trends rather than created them. So to imagine alternatives, we need to rethink what responsibilities need to be placed on employers without stifling their ability to create employment opportunities more widely.

Here it can be useful to look to examples in other countries. Employers clearly benefit very directly from having access to a labour market of workers with appropriate skills. And schools, colleges and universities cannot provide all of the necessary skills. Employers therefore need to take on some responsibility for developing work-relevant skills themselves. But in the current UK labour market the risk is high; if an employer invests in skills and training they risk having good staff poached by competitors.

Does it have to be like this? Not if we look to countries such as Germany and the Netherlands where strong systems of vocational education and training exist. There, employers who do not provide in-house training are required to pay into a central pot which is used to train the next generation of employees and which is usually operated at sectoral level (see Box 2). Because all employers are compelled to participate in one form or another the disincentive to providing training is removed. And these schemes often involve relevant trade unions that help plan the training needs of the sector over time.

## VOCATIONAL EDUCATION AND TRAINING (VET) AROUND THE EUROPEAN UNION

There is considerable variation in the extent to which national systems support young people in making the transition between education and the labour market. Importantly, in many countries there are systems and structures to ensure that these transitions are smooth and that employers are engaged to provide good quality work opportunities for young people.

An example that is often held up is in **Germany** where there are strong systems to provide apprenticeships. These usually combine school-based and workplace-based training, combined with opportunities to specialise gradually in a particular trade or profession. Importantly, structures for deciding how many apprenticeships are offered, where they are offered, and how they are funded are negotiated between employers, unions and State representatives. This helps ensure that the responsibility for future planning is spread between the parties involved. It also encourages all the parties to plan for the medium to long term. It is also important to note that employers are under an obligation to fund training either by offering it directly or by paying a levy.

**The Netherlands** is also an example where long-term plans for helping young people find good employment and training opportunities are negotiated collectively. In countries where this kind of collective bargaining takes place, typically there are different levels of negotiation which address different aspects of the challenges.

Strategic plans such as the general labour rights of apprentices as well as funding issues are typically agreed at national level, with regional and sectoral negotiations discussing the labour market requirements specific to those industries and areas. Company level bargaining can then address the details of how young trainees will be managed and deployed.

**France** has had a long-standing problem with youth unemployment which pre-dates the financial crisis. But there are good examples of company level innovation where unions and managers have agreed to prioritise the recruitment of young people after the initial stages of the crisis where some workers were made redundant.

Generally speaking, the systems that seem to be most effective at providing good quality job opportunities for young people without the risk of raising youth unemployment tend to be the ones where there are clear structures to help young workers make smooth transitions between school and work. Where these structures are negotiated and agreed by social partners (employers and unions) the resulting systems are much more likely to withstand the pressures of the economic challenges facing the EU at the present. Developing systems that share the cost of training between all employers and the State is also important in ensuring a joint commitment to a high-skill future workforce. See Simms (2011) for further details on national systems of VET.

There are some examples of similar schemes in the UK in sectors such as construction and the film industry. But these are rare. It is notable that the Leitch Review of Skills in 2006 recommended that the government consider a making it compulsory for all employers to contribute to funding skills training, but this idea has dropped off the public

policy agenda. Some employers and employer groups may well resist the call for any additional requirements on employers in the difficult economic context. But the logic is clear. A widespread and compulsory training levy would benefit all employers and provide strong incentives to provide work-relevant training for young people.

The central point of this section of the pamphlet has been to make the case to integrate employers into education and labour market policies much more extensively than they have been. The weaknesses of the relative lack of engagement with employers started to become clear even before the crisis of 2008, and are now having a

catastrophic effect on a whole generation of young people. And we cannot expect employers to act altruistically. Appropriate policies need to be developed which incentivise employers to provide good training and high quality employment opportunities for young people.

# UNIONS

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**Unions face a double challenge in relation to representing young workers. The first is a structural challenge. Young workers are far more likely than older workers to be working in sectors of the economy that unions struggle to organise for example retail, catering, and hospitality. Unions find these sectors challenging because of the high turnover of staff, the low cost business models in the sectors, and the fact that they are sectors characterised by a large number of small workplaces which makes it difficult to organise workers. The effect is that the young people employed in these workplaces – often in the early stages of forming their ideas about work – rarely encounter a union.**

**T**he second challenge is about representation. Even where unions have recognition rights and are reasonably well organised, they can struggle to engage the young people in those workplaces. Sometimes this is interpreted as a lack of interest in collective values and representation. But broader evidence suggests that as a group, young people are no more or less favourable to unions than their older counterparts (Lopata 2011). What is different is that they often see their engagement with the workplace and job as more likely to be temporary or transient. In other words, they may well feel that it is likely they will move on from this job as they gain skills and experience. Even when they do stay, it can take a while for them to get around to joining the union.

In the past decade or so, unions have been better at recruiting young people in workplaces that recognise unions than they have at expanding into new sectors and industries where the majority of young people work. This matters because over recent decades the economy has shifted so that there are more and more people (young and old) working in lower skill front-line service work and unions have struggled to organise these kinds of jobs. We therefore see rise in the number of working people who have never encountered and never joined unions in any of the jobs they have worked in. This structural shift matters a lot in the ways unions think about representing the interests of young members and young workers more widely.

In practice this dual challenge means that even where unions have relatively strong representation rights, the interests of young members can struggle to be heard because of there are comparatively few young members. Again, there

are examples of good practice. Nautilus, for example, has a strong and vibrant young members' network (see Box 3). But overall, unions have struggled to provide a space to represent young workers during the current crisis.

### A VIEW FROM NAUTILUS Garry Elliott, International recruitment & organising

Union density amongst employees aged 16-24 is now below 9% compared to a density amongst employees aged 50 and above of 28%. The trend continues that young people question the relevance of union membership in the workplace and are less likely to enter into full membership of a union without first being educated on what they feel are the merits of membership.

Nautilus is fortunate in that we have access directly and immediately to any new young trainees entering the seafaring industry through maritime colleges and supportive employers, our density stands at 80%. However, it remains that we have to convince potential members that we are relevant to them in progressing their career with the protection and services we offer. Our union has the added complication that we are a truly cross border trade union and our membership can be spread across various continents.

We often address a large number of potential members aged from 16-24 and when doing so we emphasise the importance of bridging the skills shortages that will occur in the not too distant future as older employees retire and leave the industry, taking their experience and knowledge with them. We have to accept that many young people will have had little or no education on unions. They do not see the relevance of unions in the workplace and often think that they might not be cost effective (particularly when they are on relatively low salaries).

With this in mind, Nautilus has created an opportunity for employees to become "Friends of Nautilus". This is a campaign targeted at young workers with the hope that they go on to become full members shortly afterwards. We offer them a reduced subscription rate that gives them access to the Union's website, targeted benefits and regular information on activities within their workplace.

By having "Friends of Nautilus", it gives us an opportunity to educate potential members and communicate to them the relevance of the Union. We send them the monthly Nautilus Telegraph – a journal highly regarded by the TUC, followed by regular monthly bulletins/newsletters about their company/workplace/sector encouraging them to become involved on the website discussion boards etc. We use social media campaigns and provide a CV development service. We then provide contact through our network of organisers engaging them on issues of concern or via surgeries and workshops, forums and one to one sessions. This has the effect of getting them into union membership gradually. We try to show that we can play a part in their day to day employment protection, adapting them to full members with the enhanced benefits and services, then encouraging them to organise colleagues and become the activists of tomorrow. We emphasise the message "you need us". It is early days, but so far our success rate is high and we hope that these members will stay with us for the rest of their careers.

So what could unions do? One idea raised in the previous section would be to negotiate apprenticeships and other training opportunities with employers. There seems to be considerable scope to do this in the public sector, and also elsewhere where unions have strong agreements. An example of how this might be done is the protocol for extending the number of apprenticeships in the Civil Service that was negotiated in 2009 which particularly made reference to the need to expand participation amongst the under-25s.

It is interesting to note that, despite the considerable attention paid to the Union Learning agenda, there has been relatively little sustained effort to link skills training for young people to the broader involvement of unions in learning initiatives. It seems probable that there is a useful avenue for unions to explore ways to make more systematic and sustained arguments about the need to link the wider skills agenda to debates about training and employment opportunities open to young workers. UnionLearn is particularly well placed to do this.

Where unions are recognised there are also examples from other countries of how the bargaining agenda can respond to the particular interests of young workers. In France, youth unemployment has been a long-standing challenge within the labour market. There, some unions have negotiated innovative agreements with employers to prioritise young workers in recruitment strategies and to secure State funding to support vocational training. In other contexts, attention has turned to ensuring that employment protections offered to older workers – and especially job security deals – do not have a negative impact on youth employment by securing commitment from employers to provide entry level job opportunities.

Where they are recognised, unions are also very well placed to spot how forms of precarious and insecure work affect young people and, if appropriate, they can negotiate to reduce the likelihood that insecure and poor quality work particularly impacts people at the start of their working lives. Sometimes the protections offered to more established workers do provide incentives for employers to offer weaker protections to newer and younger members of staff. A particularly common example is hiring younger staff on more fixed-term contracts. In the current environment this risks putting young people at a double disadvantage; not only is it tough to find an appropriately skilled job, but when they do those jobs are more likely to be transient, poor quality and insecure. Because of the under-representation of young workers within unions, negotiators can be slow to spot these effects, so unions should make an effort to regularly review how policies and agreements affect young workers.

The point here is that there is much unions can do when they are recognised for collective bargaining to put the particular interests of young workers on the bargaining agenda and we see good examples of innovation in other countries. But we see few similar initiatives in the UK bargaining arena. In large part this is due to the challenges in recruiting and representing young workers outlined above. Importantly, these are challenges that are within the control of unions and can therefore be addressed through internal processes of organising and representation.

## A VIEW FROM PROSPECT Dai Hudd, Deputy General Secretary.

As a group, young people are bearing the most significant burdens of the current economic recession: yet they have a weak voice in fighting their corner and making their case. There is an enormous challenge for unions in relation to defining our relevance in the face of the huge economic and social challenge that confronts us. Although many unions have, and continue to, campaign for high quality training programmes for young workers, I want to reflect and consider whether such measures get to the heart of the problem we face over the representation of young people in our society.

I confess to a sense of unease over the nature of some of the recent debates on pensions. For example, is it fair that cost sharing arrangements devised for public sector pension schemes transfer increases in future costs to younger workers? Young workers will bear the costs not just for those currently in work accruing pensions for themselves now, but also for those who are already retired. This represents a subsidy from the young to the old: There is nothing wrong in principle for inter-generational support but it cannot be right that younger people, less able to afford such a cross-subsidy in schemes, are the ones who by accident of their age will continue to pay for those who may be better able to share some of the financial burden.

A further area of inbuilt institutional and societal inequality is in the area of property ownership. Many of us will have benefited enormously in terms of the value that our properties have accumulated in the last three decades. Let's be clear that this wealth is not necessarily generated by hard work and endeavour or shrewd investment. It is estimated that the accumulated value of our property assets is in the range of £1,945 billion. 55 to 60% of this is represented by equity, symbolising an enormous pool of captured wealth. Many of the people who will

have benefited from this are from my generation (and probably yours too). The reality is that we have benefited simply by accident of when we were born. Young workers meanwhile, are unable to get on to the property ladder. We argue with some justification for the return of bonuses arising from the misdeeds of bankers. Yet we fail to consider that our capital wealth tied up in our property was also created by the activities of the same banking industry.

I also question whether we are now starting to reap the unintended consequence of good intentions, for example in relation to legislation against age discrimination. If this begins to tip the balance of wealth and power so far away from younger people, we run the risk of alienation. I have no answer to this question, but I believe it is something the trade union movement must recognise and discuss.

In the 1950s many unions took on a brave fight at a time of migration to the UK to challenge the inherent racism amongst its predominantly white membership. The fight against racism has not been won, nevertheless every union continues to give its support to that aim. In the 1980s and 1990s many unions fought to persuade the predominantly male membership of the rights of its female workers against discrimination in the workplace. That fight continues, and is yet to be won.

I am putting forward a proposition that we need to reconfigure the trade union movement to take on a third battle – the battle of our disenfranchised youth. This is not just a debate for the current financial crisis: It is a debate about redistribution regardless of the economic circumstances that prevail. I think it is a debate that we urgently need to face up to and challenge in our own unions. It is a matter of social justice, but it also goes to the heart of our own relevance to our young members and potential members.

# CONCLUSIONS

**The challenges facing young workers in the current labour market are profound and stem from the interactions of a range of policy areas including social security, education, and employment. There are no simple answers to ‘solving’ the problems facing society as we move into a period where early experiences of work are far more likely than previously to be marked by unemployment and low quality work. But two main points are clear. First, this is not just an issue for consideration by governments and policy experts. Employers and unions must address the challenges as well. Second, employers, unions and policy makers seem to be missing too many opportunities to develop comparatively low-cost and easy-to-implement responses to helping young workers during the crisis.**

**C**learly post-16 education and training is an important area for attention. For too long, UK employers have shied away from systematically engaging in and funding education and training opportunities. We cannot logically expect the State to produce young people with relevant skills without the involvement of employers; large and small. Obviously not all employers are bad at this. But far too few provide and pay for training opportunities for young people at all skills levels. We cannot expect employers to suddenly start funding this themselves. Policy levers should focus on ensuring there are good quality job opportunities for young people and that there are incentives for employers to offer these to young people. Those policy levers could include incentives schemes to reduce National Insurance contributions, or to provide a financial incentive to offering a job to a young person. We need to focus hard on how training and education are funded and how the balance is struck between the contributions of employers and the State. Some degree of compulsion is likely to be needed to ensure that the burden is shared between employers who already offer training and those who do not.

We must also avoid the argument that if we simply reduce the labour rights of young people, employers will hire them over older workers. This risks creating a generation of workers with negative early experiences of work and creating a ‘race to the bottom’ for the rest of us. Workers’ rights are important protections against the risk of exploitation by unscrupulous employers. Good employers know that workers’ rights provide them with a protection from the risk of ruthless wage cutting and a hire-and-fire culture. To build the kind of high-skill labour market that the UK will need to emerge from the financial crisis, we need good quality jobs that provide opportunities to develop skills and experience and protections against the worst aspects of an unregulated labour market.

Trade unions are important to that agenda. Unions need to focus on recruiting and representing young people and defending their interests at work. Some unions are very good at this. But overall, there has been too little attention paid to trying to organise the sectors where young people often find work. Some of those young people move into other sectors. But many stay in poverty traps of low-paid work and it is here that unions could



usefully focus their organising and representation. More widely, unions play an important role in making arguments about the importance of good quality jobs and they can continue to do that in relation to young workers.

Action is needed urgently otherwise the risk of scarring the current generation of young people is

very real and very serious. Unemployment and poor quality work risk leaving a cohort who struggle to engage with work and becoming active citizens. Action needs to involve all parties in the employment relationship: employers and unions as well as government policy.

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