

2015/8

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Pocket Watch – Helping young people into work

Introduction

It's been back to the future this week as both major Parties traded blows on welfare reform and youth employment. Labour went back to the skills activism policy developed by Lord Mandelson in the dying days of the Gordon Brown administration as it confronted the issue of skills training and industry development while the Conservatives breathed further fire into the Get Britain Working proposals developed around the same time to tackle the issue of welfare to work and what the Prime Minister called *'the stampede to the job centre.'*

Things have clearly moved on since 2009/10. This week's labour market figures covering the final quarter of last year offered further evidence of improvement with the overall employment at its joint highest rate. For young people though, where the unemployment rate for 16-24 year olds remained stuck on 16.2%, things look less rosy particularly if, as the Prince's Trust, Impetus and other have pointed out, you have few qualifications to wave around. Labour is due to offer young people a voice through its new Youth Manifesto shortly but for the moment here's the politician's view on young people and what should be done to help those either on welfare (the Conservative pitch) or preparing to enter the labour market (the Labour pitch.)

The Conservative pitch

The aim here is to eradicate long-term unemployment by getting 18-21 yr olds who have been out of work or training for six months on to community work and job search. The target group is the 50,000 young people *"most at risk of starting a life on benefits"* where a tough love approach is being adopted: *"we are taking further steps to help young people make something of their lives."* Building on his Conference speech last autumn, the Prime Minister **announced**:

- Jobseeker's Allowance for 18-21 yr olds to be scrapped in favour of a Youth Allowance
- NEETs to put on to job search/community work from day one (rather than after 6 months)
- Annual benefits cap to be lowered from £26,000 to £23,000
- A minimum wage aspiration of £8 an hour by 2020
- Deployment of welfare savings to fund 3m new apprenticeships

The Labour pitch

Labour has already confirmed that it would bring back its Future Jobs Fund model in the form of a Compulsory Jobs Guarantee for every young person who has been out of work for 12 months. This would be paid for out of a tax on bankers' bonuses and would be compulsory in the sense that you'd have to participate or lose benefits. It's also going for an £8 minimum wage although before 2020 but its big offer for young people is for those still in education and was set out in its new **industrial plan** published this week. It includes:

- By 2020, a guaranteed place on a L3 apprenticeship for school leavers *'who get the grades'* plus reforms to the provision, quality and management of apprenticeship programmes
- A balanced curriculum, Eng/maths and for 16-18 yr olds 'a gold standard' Tech Bacc
- Ring fenced funding for 16-19 yr olds and provision through new Institutes of Tech Ed
- A progressive tech route through tech degrees



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