Tomorrow's Affairs
Analysis of today
Assessment of tomorrow

By: Harvey Morris

UK youth jobs crisis will not be solved by blaming the young

There has always been a tendency among older generations to lament the fecklessness of contemporary youth.

“In my day…” is a familiar introduction to the disapproving comparisons of older folk between their own remembered industriousness and enterprise and the sullen indolence of today’s young.

Such negative nostalgia is increasingly out of sync with a modern-day reality in the UK, where the shrinking expectations of a growing number of young people risk creating a lost generation.

Latest statistics indicate that the number of inactive young Britons remains stubbornly high at around one million, or one in eight of 16-24 year olds. Despite a recent minor dip, the UK’s total is up by three per cent on the same period last year.

Without action to reverse the trend, the total could rise to 1.25 million within five years, according to an interim report to the government on young people and work published in May.

It is a quarter century since the UK adopted the acronym NEETs to describe those not in education, employment or training, a shorthand since adopted by other advanced economies coping with similar challenges.

In the UK, the impact of a slack jobs market and weak vocational training has been compounded by rising levels of mental health problems among the young and a rigid welfare benefits system that disincentivises many from even seeking work.

The result has been that the UK performs worse in terms of youth engagement with work and job training than most of its European neighbours such as the Netherlands, which has a NEETs rate one-third the level of Britain’s.

The casualties of the current NEETs crisis

The NEETs crisis will be on the government’s agenda as parliament reconvenes this month and the ruling Labour Party prepares for its first annual conference with Andy Burnham as leader and prime minister.

When he took office in July, Burnham said he was “on a mission” to halt the rise in the numbers of inactive youth with reforms to enhance the status and availability of school courses linked to industry and manufacturing.

“We've had a system built for too long around the university route and it sends a message to some young people that they're some kind of second-class citizens, and it's just not right,” he said during a visit to a Midlands manufacturing plant.

> Even a university degree is no guarantee of work

However, opening a vocational pathway to work for disadvantaged youth is only one aspect of the NEETs dilemma. Even a university degree is no guarantee of work in an economy in which graduate job vacancies were this month reported to have dropped to their lowest level in a decade.

The jobs search engine Adzuna said its listed graduate vacancies had almost halved in the past year as employers cut back on entry-level jobs and switched to AI to reduce labour costs.

The casualties of the current NEETs crisis thus extend from early school-leavers from poor backgrounds and low-employment regions to those who went through tertiary education and can still spend frustrating months and even years to secure their first job.

At risk of a lost generation

The next pointer towards potential government action on the crisis will be the forthcoming final instalment of the May interim report by former Labour minister Alan Milburn. Work and pensions minister Pat McFadden has said the government would

advance Milburn's recommendations.

In his interim report, Milburn concluded that the current education, health and welfare systems no longer served to prepare young people for adulthood.

"We are at risk of a lost generation," he warned, with many young people trapped in a "hopeless Catch-22" where employers asked for work experience but the opportunities to gain it had narrowed or disappeared.

MPs urged the government to cut that particular job tax. It is among the options now facing Burnham and his new cabinet team, in which work minister Pat McFadden is one of the few to have kept his old job

The extensive inquiry that Milburn led found that the current welfare system was failing to support young people to either earn or learn. Among the half who claimed benefits, only a third received meaningful support to find a job.

Among those first claiming a health or disability benefit aged 16 to 24, nearly half remained out of work or education 15 years later.

These failures helped to explain why in the UK growing levels of anxiety among young people were translating into higher levels of economic inactivity than in comparable countries, the interim report found.

Employers have complained that a minimum wage rise under the previous Keir Starmer government, coupled with the higher employment taxes they face, has forced them to cut entry-level jobs.

Parliament's work and pensions committee said in July that it had heard overwhelming evidence that rising employment costs, including national insurance contributions paid by employers, were reducing training and job vacancies, particularly for young people.

MPs on the committee urged the government to cut that particular job tax. It is among the options now facing Burnham and his new cabinet team, in which work minister McFadden is one of the few to have kept his old job.

Fewer opportunities

Today's 16-24-year-olds in the UK were born either side of the 2008 global financial crisis which prompted the austerity measures taken by subsequent UK governments.

Like their contemporaries elsewhere, they grew up with the socially isolating impact of the Covid years and now face competition from AI for some of the jobs they might have hoped to get.

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Maybe they deserve a break. Yet in recent official polling for the Milburn review, 35 per cent of respondents blamed the rise in NEET numbers on young people's lack of motivation or desire to work.

Less than half of 55-75-year-olds polled agreed that young people today had fewer opportunities than their generation and other previous ones enjoyed.

For the sake of today's youth, it may be time for some older folk to get over their rose-tinted nostalgia once and for all.