

**Impacts of COVID-19: Economy, Infrastructure and Skills Committee
Written Submission for Committee Hearing on Youth Unemployment
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My research is a comparison of devolved policy approaches to youth unemployment and civil society responses. During this session I will speak to those two areas – devolved policy approaches and civil society.

I would also like to emphasise my appreciation for the hard work and positive steps already taken by the Welsh Government to address the issue of youth unemployment during and preceding the pandemic announced in March this year.

1. Likely scale and pattern of youth unemployment in Wales and the implications for recovery

[TUC](#) research shows Furloughed 16-25 year olds in Wales are three times more likely to work in either accommodation and food, or arts, entertainment and recreation sectors where jobs are most at risk. This highlights the higher risk for young people in Wales compared with the UK as a whole and in particular geographies of Wales. For young people living in rural and valleys areas for example, it is likely that issues around the extension of the youth phase, [declining reliance](#) on state benefits because of periodical precarious employment and therefore reliance on family will make it very difficult for young people to make the transition from education to work, and I think that on a national scale, coupled with Brexit, recovery in Wales could be harder and take longer than the other UK nations in terms of youth unemployment. There is more to say on this is you are also looking at social security and welfare reform in Wales, see this report by Sheffield Hallam University.

2. The lessons that can be learned about youth unemployment from previous recessions, and if this recession might impact youth employment in different ways

The political will and narrative to move away from the negative elements of flexible employment and precarity towards fair work, living wage and 'leave no one behind' principles are incredibly important to stand by during these difficult times. I think Wales has a history of making social democratic decisions where possible (see free school meals, free parking, free swimming and free prescriptions for example) but sometimes there has been difficulty in implementing such policies (see Communities First).

In this case perhaps we could look to the Scottish [Report](#) of the Advisory Group on Economic Recovery 'Towards a robust, resilient, wellbeing economy for Scotland' (2020). One key recommendation is to introduce two year, quality apprenticeships at minimum wage, rather than the six months seen in Kickstart. Also the Scottish Fair Work Convention's Framework on effective voice for workers is an example of promoting fair work. Mark Simpson's (Ulster University) work on devolved welfare policies in Scotland and N. Ireland shows a will amongst policy makers for a living wage, workfare policies and no one left behind, I think it is important that Wales follows suit.

I can give my thoughts on how to go about that, while taking the 'be flexible' and 'stay calm' approach recommended in the Skills Meeting in June, in the recommendations below.

3. The economic impact youth unemployment has on individuals and if those impacts are equally distributed across young people – do some groups fare worse than others, if so, how?

Yes, young BMAER people will fare worse, BAMER 18-24 year olds are more likely than their peers to be unemployed and [researchers](#) at Sheffield University say that this group will be hit hardest by recession.

People with disability are also more likely to be disadvantaged.

People with mental health issues will struggle and will increase in numbers, and those that can't afford to do what they need to support their mental health / recovery will be at the hard end of this.

4. Views on how to make sure that “those young people who are most marginalised already in the labour market aren't left further behind” and if existing Welsh Government schemes will be sufficient to achieve this

We can look to civil society where those young people who are most marginalised in the labour market are already receiving some support. My early research [findings](#), in the context of devolved governments taking a less narrow employability focused approach than central UK Government, shows small but significant differences in policy approaches by civil society organisations, with England putting the strongest emphasis on the individuals and employability, followed by Scotland and Wales then Northern Ireland.

With youth unemployment set to rise hand in hand with precarity, in-work poverty, job-insecurity and flexible working causing mental health issues, housing problems and long-term scarring effects amongst young people, my view/ recommendation is that WG needs to consider a more holistic approach to addressing youth unemployment. I suggest an approach that goes beyond employability addressing confidence-building and empowerment and tackling the structural causes of unemployment and precarity. This would, arguably, offer a more appropriate response to the current youth unemployment crisis than those framed in terms of narrowly-defined macro-economic interventions by the state and transfer payments via social security.

More practically, involving civil society organisations and groups that already support marginalised young people in the WG response could be done more strategically than in the past. For example, in Quebec, Canada, civil society is funded to carry out strategic work, not just project delivery, and is involved in contributing to policy development and delivery in a meaningful way. Closer to home, the Scottish Government has co-written its Youth Strategy with the Charity YouthLink. On a smaller scale, [Research](#) from Sheffield Hallam University has shown the value of frontline, small charities dealing with day to day issues. The value of this has been magnified during the pandemic.

So, from large, umbrella charities to smaller frontline ones, the Welsh Government should move towards more meaningful and strategic approach to partnership working and this should be accompanied by more grant funding to tackle youth unemployment holistically. This is a missed

opportunity (e.g. the Welsh Government's Youth Engagement and Progression Framework targets were being achieved by charities not involved in the policy at any level, according to a [report](#) by the Council for Wales of Voluntary Youth Services).

5. Views on the new interventions Welsh Government have announced to respond to the prospect of youth unemployment

I think the following interventions are to be welcomed: the joint Scottish and Welsh Governments' support of [youth employment in the] aerospace industry is; the extension of CAB free advice funding to March 2021; and the flexible working model and £500 payment for low paid workers.

But I also think that there are things of value to look at from the other devolved countries and ways of adapting the UK central package to work best in Wales. For example:

The UK Plan for Jobs aims to double the number of frontline work coaches. The aim is to recruit 27,000 work coaches by March 2021 to support people looking for work through Kickstart and the 35 Youth Hubs based in the community – in Swansea, Cardiff and Wrexham (eight in Scotland). A pertinent question is are these the best locations for these HUBS in Wales? Another question is, should funding be targeted at supporting existing workers? In Northern Ireland the emphasis is more on supporting work coaches on the frontline. For example, one suggestion is to raise the Advisor Discretionary amount (currently £300 per person) for specialist training, travel to work, childcare costs, PPE or in-house training to provide a more flexible, frontline support system for the young unemployed.

The UK's kickstart scheme will provide high quality, 6 month placements from autumn this year at minimum wage for young people at risk of long term unemployment. However, referrals are planned to be largely through the JobCentre system which is a problem because of the low number of young people who are on the system. This issue was raised by the Youth Employment Group in its final [report](#). Again, the Scottish [Report](#) of the Advisory Group on Economic Recovery recommends the introduction of a Scottish Jobs Guarantee offering secure employment for a period of at least two years, to 16-25 year olds, paid at the Living Wage, with access to training, apprenticeships and the possibility of progression.

The same report also recommended that the Scottish Government discuss with the UK Government the arrangements for raising the Apprenticeship Levy, with a view to ensuring that these better meet the needs of Scottish employers, individuals and the Scottish economy.

I recommend that serious consideration is given to whether Wales could take some of these progressive approaches to complementing what is already being done?

I also recommend that serious consideration is given to the best way that Jobs Growth Wales be deployed?

6. Recommendations the Committee can make to Welsh Government to address youth unemployment, examples of successful interventions made in other parts of the UK and/or overseas

Primary Recommendations

- WG should retain principle of “no one left behind”, (as seen in Living Wage and Fair Work).

- Work more strategically and in partnership with the third sector (the WG commissioner-TS provider relationship sometimes seen in the past should be avoided);
- WG should introduce more strategic grant funding for charities to help tackle youth unemployment (as seen in Quebec).
- WG should encourage more joined up work amongst civil society organisations (as seen in the YES project in Leicester and Leicestershire)
- WG should encourage a more holistic approach to dealing with youth unemployment which includes (but is not reducible to) a range of approaches for different “distances” from the labour market (e.g. the Careers Wales Five Tier Model in the [YEPP](#) implementation plan, 2013: pp 29). One that is not predicated on the idea it can solely be dealt with through increasing skills (as Ewart Keep’s [Report](#) and Talen Match [Evaluation](#) by CRESR). Rather it should be sensitive to the individual and informed by WG’s equality and human rights obligations and support should be extended on an equal basis to Welsh-speakers and non-Welsh speakers alike.

Secondary Recommendations

- The **Jobs Growth Wales’** (JGW) [Evaluation](#) recommended a more targeted approach to youth unemployment alleviation to reduce or eliminate outcomes that would have occurred without intervention. This is because the target criteria were too broad (e.g. it included the short-term unemployed who are closest to the labour market. Geographical allocation of JGW jobs in line with youth unemployment rates could reduce this).
- Wage subsidy and employer incentives in JGW were reduced over time as the economy recovered. It is recommended that WG consideration is given to whether they need to go up again?
- [The Employability Plan](#) ensuring cross-party approach is very important in terms of losing sight of issues like the environment and fair work in what is essentially a reaction to an emergency response. It is also important that cross departmental working continue (as seen in the case of the Children, Young People and Education Committee inquiry).
- In the context of the European Parliament calling on members to take advantage of the Youth Guarantee, it is recommended that WG consideration is given whether there any post-Brexit approaches to Wales becoming involved in this network?
- Findings from EU-wide studies of youth unemployment find that policies treating young people as a resource to be invested in (rather than a problem to be tackled) are more effective and sustainable. It is recommended that WG adopt this as a guiding principle in its youth unemployment policy work. In addition, existing research shows that a centralized youth sector, or at least a centralised one is advantageous. It is recommended that WG is mindful of this in developing its policy response.