



This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 649395.

NEGOTIATE

Overcoming early job-insecurity in Europe

Deliverable 3.4:

Institutional determinants of early job insecurity in the UK

Deliverable type / Version	Report / Version 2
Dissemination level	Public
Month and date of Delivery	Month 18, August 2016,
Associated Work Package (WP)	WP 3 Institutional Determinants of early-job insecurity in nine European countries. UK country report
Lead beneficiary for D 3.4	MU, Czech Republic: Ondrej Hora, Tomas Sirovatka
WP Leader	UPSPS, Greece: Maria Karamessini
Authors	Margherita Bussi Jacqueline O'Reilly
Project URL	www.negotiate-research.eu

Table of Contents

Introduction	4
Section 1. Education and training	7
Summary	7
Policy objectives and debates	7
How objectives reflect Education and Training 2020 (ET 2020) strategic framework	8
Institutional framework and changes	8
The structure of the educational and training institutions	8
Governance of education	9
Financing	10
Delivery of education	11
VET system and governance	11
Policy content	11
Challenges for VET system	11
Lifelong learning	12
Internship and traineeships	12
Assessment	13
Changes in VET and Apprenticeships	16
Section 2. Employment regulation and wage setting	19
Summary	19
Policy objectives	19
Institutional framework and governance of employment contracts	19
Employment legislation for fixed-term and permanent contracts	20
Policy reforms	21
Minimum Wage	21
Temporary employment & Zero-hours contracts	21
Assessment	22
Section 3. Active Labour Market Policies and activation	23
Summary	23
Policy objectives	23
Institutional framework and the changes: Governance	23
Policy content	24
Services available to young people: Scope, targeting and regional distribution	24
The Young Person’s Guarantee and the Youth Contract	25
Youth Contract: tackling the youngest NEETs	26
The Work Experience programme	27
Tackling long-term unemployment	27
Assessment	28
Section 4. Unemployment and other relevant income protection	29
Summary	29
Policy objectives	29
Institutional framework, Policy content and Scope of the measures	30
Job-Seeker’s Allowance	30
Employment and Support Allowance for ill and disabled people	30
Income support	31
Universal credit (UC)	31
Conditionality of benefits and action plans	31
Claimant Commitment (CC)	31

Skills conditionality.....	32
Sanctions	33
Assessment.....	33
Conclusions	35
Conclusions	35
Abbreviations.....	37
References	38
Annex 1.....	41
Description of the education system.....	41
General situation of young people (labour market, poverty)	45
Education	51
Labour market regulation and wage setting.....	59
Active Labour Market Policies	61
Annex 2.....	65
Timetable of the major reforms and active labour market programmes targeting young people in the UK since 2007	65
References	76

Introduction

Young people in the UK were immediately affected by the impact of the economic crisis, particularly between 2008 and 2011; since 2014 the overall numbers of young unemployed have continued to fall.¹ Young people most vulnerable to unemployment have been those with low to middle level education.² The active population of 15-24 with low educational attainment has been shrinking substantially as more young people stay on in education, and the active population with a tertiary degree has been increasing significantly.³

Gender difference indicates that young males of aged between 15-24 and 25-29, suffered the most from job losses. Since 2011 trends have been more positive for all groups for both young men and women finding it easier to find employment.

Even though the crisis has put the school-to-work transitions under pressure, entry in the labour market for young people remains less problematic than in other European countries (Brzinsky-Fay 2007), and the time needed to find the first job is one of the lowest compared to most of old member states (Quintini and Manfredi 2009). However, concerns remain about the integration of young people into secure trajectories. Even if the share of temporary employment contracts among young people in the UK is very low compared to other European countries, a significant increase in zero-hours contracts⁴ has come under significant criticism. Women, students and both young and older workers are more likely to be on these contracts.⁵

Despite an overall decrease of young NEETs, there is still a significant proportion of young long-term unemployed (Crawford et al. 2010, Maguire 2013): 16.5% of unemployed 16-24 year olds have been unemployed for over 12 months.⁶ The number of early school leaver is still higher than the 10% target set at the European level, although there are attempts to reduce this, in particular by extending the official school leaving age (Crawford et al. 2011; European Commission 2015; O'Reilly et al. 2015).⁷ Becoming NEET at an early stage, after leaving school, has a strong impact on the medium (5 years) and longer term (10 years) as NEETs are more likely to remain unemployed or to have lower earnings (Crawford et al. 2011). Duckworth and Schoon (2012) comparing two cohorts 1970 and 1989/1990, found that the risks of becoming NEET has been accentuated by the crisis.

Welfare-to-work arrangements have a long-standing tradition in the UK, which has predominantly adopted a work-first approach. The causes of youth unemployment tend to be ascribed to the supply-side with programmes mostly aimed at targeting a lack of (basic or vocational) skills and work experience rather than supporting job creation or providing state subsidies for less advantaged groups.

¹ <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN05871>

² Calculations include young people with no info on the educational attainment

³ Young people holding a degree corresponding to a 5 to 8 ISCED degree.

⁴ <http://www.acas.org.uk/index.aspx?articleid=4468> and <https://www.gov.uk/contract-types-and-employer-responsibilities/zero-hour-contracts>

⁵ <http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/articles/contracts-withnoguaranteedhours/2015-09-02> and <http://www.if.org.uk/archives/7109/new-ons-figures-shed-further-light-on-young-people-and-zero-hours-contracts>, last accessed on 15th March 2016.

⁶ <http://researchbriefings.parliament.uk/ResearchBriefing/Summary/SN05871#fullreport>

⁷ <https://www.gov.uk/know-when-you-can-leave-school> and a recent EU funded project on this issue <https://www.uantwerpen.be/en/projects/resl-eu/about-resl-eu/>

At the beginning of the crisis, UK governments have answered to the rise in youth unemployment with time-bound programmes – e.g. Young Person’s Guarantee⁸ and the Youth Contract – through which they have injected investments into activation, training and welfare policies. Most of the reforms or new schemes have strengthened the local dimension of service delivery and reinforced the “centralised localism”, i.e. employment policies and benefits are managed at the central level but their administration is fully decentralised (Zimmermann et al 2015). However, important cuts to Local Authorities’ budgets have reduced the capacity of delivering some of these programmes. In addition, the accountability of organisations to improve outcomes has been reduced due to the high number of programmes and their complex governance. (Local Government Association 2014)

Inspired by the motto “make work pay”, the 2012 Welfare Reform and other amendments have made sanctions stricter, guidance of job-seekers more frequent and have modified the system of delivery of some means-tested and in-work benefits. There is stronger emphasis on the responsibility of individuals to get back to work and increase their earnings. This is achieved with the introduction of the Claimant Commitment,⁹ which is a new and more stringent action plan claimants have to sign to keep their rights to benefits.

The introduction of the National Living Wage,¹⁰ applicable from 1st April 2016, increased the minimum hourly wages of workers aged 25 or more with the intention to make employment more attractive than welfare dependency, and to address the issue of low paid work. The minimum wage for young people will not be modified.

In the UK, education and training policies have succeeded in ensuring that a large share of young people stay in education or training and go to completing a tertiary degree. The UK scores well in the targets set in the Europe 2020 and Education and Training 2020 strategies¹¹: the share of graduates, life-long learning participation, participation in childcare and employment of recent graduates are above the agreed European benchmarks.

As in other European countries, VET is not seen as attractive as general education to which most of young people enrol. The number of young people in VET secondary education is lower than in other European countries. Only recently policies have reached a marked increase in the participation in apprenticeships and created VET upper secondary colleges.

A high participation in education was also fostered by a series of policies under the previous Labour government, which were partially abolished by the Conservative-Liberal Coalition Government. For example, the EMA (Education Maintenance Allowance) was abolished despite a number of evaluations concluding that it had been very successful in helping poorer young people to stay on in education. The Conservative-Liberal government’s claimed that it was a very expensive policy, where all 16+ received a financial payment for staying on in

⁸ The Young Person’s Guarantee – not to be confused with the (European) Youth Guarantee – was introduced in the UK in 2010 and ran until 2011. Under the guarantee all 18 to 24 year olds reaching six months unemployment are guaranteed an offer of a job, training or work experience. The YPG was in place has been replaced by the Youth Contract.

⁹ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/404215/uc-and-your-claimant-commitment.pdf last accessed on 11th March 2016.

¹⁰ <https://www.livingwage.gov.uk/>, last accessed on 10th March 2016.

¹¹ Although the UK did not include any national targets for employment, education and training and R&D, its performance can still be compared to the targets set in Europe2020 and Education and Training 2020 Strategies (see for more details http://ec.europa.eu/europe2020/europe-2020-in-your-country/united-kingdom/progress-towards-2020-targets/index_en.htm and http://ec.europa.eu/education/tools/docs/2015/monitor2015-uk_en.pdf). These two strategies set quantitative objectives dealing with a general economic and social issues, the first, and education and training –related topics, the latter. Both strategies aim to bring member states towards, among others, the development of an increasingly skilled work force.

education; the policy became redundant in the face of their plans to extend the compulsory school leaving age to 18 (Maguire 2013).

Since the beginning of the crisis, several policy changes were implemented in part due to three different governments between 2008 and 2016 (Labour 1998-2010; Coalition Government 2010-2015 and Conservative since May 2015, subsequently under the leadership of PM May from July 2016). In a context of spending cuts, policies have aimed to lower the national debt and an increase a market-led economy (Taylor-Gooby, 2012). Since the Brexit referendum (June 2016) it is unsure how policy developments in this field will pan out as budget targets to reduce the deficit were abandoned by the outgoing Chancellor of the Exchequer and the new Prime Minister May appears to want to change the direction of the austerity measures. At the time of writing the future direction of policy measures in the field of youth employment is uncertain given the recent political turmoil experienced in June/July 2016.

In this report we set out to present the major changes and the policies that have been introduced in recent years leading up to and beyond the financial crisis, and how these have affected young people's entry in the labour market and their job security in the UK by looking at four key areas: Education and Training, Employment and Training, ALMPs and Income protection and Unemployment benefits.

Section 1. Education and training

Summary

The share of young people aged 16 to 24 in education has markedly increased between 1992 and 2014. The policy ambition of achieving 50% participation rate in higher education is close to being met as provisional figures for 2013/2014 indicated that participation rates for 17-30 were around 47% (BIS 2015).

Enrolment rates in upper secondary VET were slightly lower (43.8% of upper secondary students) a little below the European average (50%)(see Table 17). There are however large regional disparities between the nations of the UK: both Scottish and Welsh educational systems have a very low share of young people in vocational education (data for 2013, Eurostat, see Table 17).

Recent policy reforms have sought to raise the age of compulsory school participation (see box 2 in Annex 2) and make VET more attractive through better guidance. However, not all reforms are expected to bear successful results.

Policy objectives and debates

Current education policies revolve around three main objectives: to ensure equal opportunities for the most vulnerable young people; to ensure access to high quality education; and to guarantee that all young people leaving school have the relevant knowledge and skills to find employment. These objectives aim to combine economic and social goals for quality options in the labour market or in education.¹²

The UK system has increasingly encouraged a closer involvement of business and an increasing involvement of the private and not-for-profit sectors, for example through the Academies programme, free schools and the increasing marketization of higher education, for example. The objective of increasing employability through a more hands-on and practical education were also presented as a way of involving young people who find it more difficult to engage with academic education (Brooks 2013). Creating new free schools, strengthening teaching provision for scientific skills and attempts to target access to quality education and training for the most vulnerable young people who still reach a lower level of development at all key stages of education.¹³

This line of policy was implemented by the Labour Government and continued under the subsequent Coalition and Conservative Governments. The latter in particular has strengthened the links between business and education, for instance, via dedicated programmes. The underlying belief of these policies is that employment oriented schooling often dominates the purpose and practice of education provision (Brooks 2013).

In terms of governance, providing local actors with more freedom to establish cooperation has led to stronger decentralisation of the education policy by setting incentives for creating academies, i.e. reforms to poor performing schools that encourage business sector involvement

¹² <https://www.gov.uk/government/publications/department-for-education-single-departmental-plan-2015-to-2020/single-departmental-plan-2015-to-2020>, last accessed 6th May 2016.

¹³ Indicator 2: Realising the potential in the education system retrieved from <https://www.gov.uk/government/publications/social-justice-outcomes-framework-indicators>, last accessed 9th May 2016.

in the organisation and delivery of education. Although the intention was to encourage local autonomy as these schools were independent of Local Government authorities, Brooks (2013) suggests that it can also result in a centralising dynamic where schools are dependent on central funding. Policy objectives have been characterised as attempts to improve the overall quality of education and increase decentralisation; this has been accompanied by some of the sharpest cuts to local government budgets as a result of austerity cuts.

How objectives reflect Education and Training 2020 (ET 2020) strategic framework

Education and Training 2020, a soft-method of governance aimed at harmonising and improving the performance of education and training systems across Europe, set several quantitative targets ranging from the quality and inclusiveness of the education systems to the financial resources spent.

In 2014 the UK¹⁴ scored fairly well in the share of 30-34 year olds with a tertiary degree, participation in early school education, as well as in the share of recent graduates in employment (83.2%). However, poorer results were found in terms of early school leavers and dropouts from training (11.8%, which is higher than the target of 10%) and on the share of low-achievers in literacy, maths and science.

The participation in early child education is also included as an indicator of inclusiveness of the education system. Promoting early childhood education is often interpreted as a Social Investment strategy for ensuring equality of opportunity and reducing the transmission of inequality in the long-run (Morel et al 2012).

While the UK scores well on this indicator, recent policy developments and government declarations do not seem to support as first objective of a wider childcare provision as a tool to increase equality for young children from different backgrounds. The main aim of the recent Childcare Bill (2015) - which doubles the provision of free childcare provision for working parents or parents who wish to return to work (Childcare Bill Statement 2015)¹⁵ – is to target the participation of parents in the labour market rather than lowering initial inequality through universal widely affordable childcare.¹⁶

Institutional framework and changes

The structure of the educational and training institutions

The basic institutional arrangements range from nursery provision from the age of 2 up until University education (see Annex where different levels are laid out. An outline summary of the structure of the UK education system is available here¹⁷ and in a comparative perspective.¹⁸) Under the New Labour government SureStart initiatives sought to expand nursery provision to

¹⁴ http://ec.europa.eu/education/tools/et-monitor_en.htm , last accessed 16th March 2016.

¹⁵ <https://www.gov.uk/government/publications/childcare-bill-policy-statement>, last accessed 11th March 2016.

¹⁶ „The new entitlement to 30 hours free childcare is intended to support working parents with the cost of childcare and enable them, where they wish, to return to work or to work additional hours“ (Childcare Bill Statement 2015)

¹⁷ https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/219167/v01-2012ukes.pdf and in Annex 1.

¹⁸ http://eacea.ec.europa.eu/education/eurydice/documents/facts_and_figures/education_structures_EN.pdf

less economically favoured regions. However, outside these provisions, and for most parents, the costs of early years care and education are amongst the highest in Europe.

Children start compulsory schooling in the year when they will become 5, i.e. they will start attending all day school (until 3pm) from the age of 4. The age of compulsory schooling has gradually been increasing from 16 to 18 years old.

A complex system of VET provision coexists alongside the formal education system which is normally accessed from age 16 years plus. The UK has considerable experience of innovating with a range of modularised flexible learning platforms, for example with National Vocational Qualifications (NVQs).¹⁹ These qualifications have in the past enabled people to obtain formal recognition through work-based learning. Although some criticism has been directed at the very low starting base for these kinds of qualifications, the fact that there is no age or time restrictions imposed on candidates means that these are very accessible qualifications within a recognised nationally accredited structure.

The UK has traditionally had a long history since the 1980s of encouraging life-long learning and non-traditional paths into higher education through Access²⁰ courses for older people who commonly left education early without any formal qualifications in the 1960s. These Access courses provide a pathway that can lead to university qualifications. In addition a range of policies has sought to encourage ‘widening participation’²¹ to access higher education for non-traditional students, i.e. those whose parents have lower level qualifications.

Governance of education

Education is a devolved responsibility within the UK: each constituent part – England, Scotland, Wales and Northern Ireland – has the responsibility of organising and delivering education and training. In England, the Department of Education (DfE) is responsible for education up to the age of 19. The Department of Business, Innovation and Skills (BIS) is in charge of skills development and adult learning, i.e. VET, apprenticeship and higher education. Two funding bodies provide financial support to the implementing actors: the Education Funding Agency (EFA) and the Skills Funding Agency (SFA) which are respectively in charge of educational offer up to 19 years old and post-19 training and educational offer. Higher education institutions, which are almost all public, are funded by the Higher Education Funding Council (HEFCE 2015).

At the local level, in England and in Wales, Local Educational Authorities (LEAs) play an important role as they are responsible for ensuring that young people living in their catchment area are offered a suitable education and training opportunity. They are also in charge of providing compulsory education and social care for young people. In Northern Ireland the Education Authority is responsible for education, libraries and youth services; while in Scotland education administration is the responsibility of local councils.

As for other actors, in VET social partners and their agreements are more limited than in any other European country and there is little collective bargaining on skills provision among social partners (Keep 2015). The only institutionalised body is the UK Council for Education and Skills (UKCES), composed of employers and union leader representatives as well as the

¹⁹ <http://www.cityandguilds.com/qualifications-and-apprenticeships/qualifications-explained/nvqs-svqs-keyskills-vocational-skillsforlife>

²⁰ <https://www.accesstohe.ac.uk/Pages/Default.aspx>

²¹ <https://www.gov.uk/government/collections/widening-participation-in-higher-education>

voluntary sectors and Further Education (FE) (post 16) and Higher Education (HE) (i.e. Universities), which supervises and provides policy advice.

Employers are not mandated to be providers of VET and their intervention is voluntary. This lack of involvement also in apprenticeships is due to the fact that the scheme is run centrally. The traditionally low level of employers involvement in VET provisions has been a target of recent policy initiatives for example through the Apprenticeship Trailblazers programmes that reduce national insurance contributions and with the planned Apprenticeship Levy²² which are discussed below and in the table of reforms (Annex 2, box 19).

Financing

In the UK the level of total government expenditure on education (all types of education included) in terms of percentage of GDP is higher than the EU28 average. In 2014, in the UK 5.2% of GDP was spent on education and 4.9% in Europe on average. Since 2011, however, the share of GDP dedicated to education has been reducing significantly from 6.6% in 2010 to the current 5.2. As expected, a similar decreasing trend is found at the local government level (Eurostat 2016 – see Figures 13 to 15 in Annex 1).²³

Early childhood and school education is financed by the Education Funding Agency (EFA) for pupils and students aged between 3 and 19. Education is free of charge for full-time pupils up to the age of 19. Local Authorities are also required to finance part-time early childhood education. EFA finances directly academies and free schools that are not under the remit of Local Education Authorities, colleges and further education institutions²⁴. However, the contribution from private households is one of the highest at all levels of education, with higher education institutions been financed by households up to 70% (data for 2011, OECD 2014).

The vast majority of higher education institutions are public and receive support by the government. They enjoy an important degree of autonomy even though they are subject to a strict system of accountability if publicly funded. Higher education institutions impose fees and, in 2012, a new fee regime removed the cap for student fee from £3000 to £9000 in England (see box 14 in Annex 2). There exists an on-going debate about whether Universities should be allowed to have a more differentiated tariff regime. Universities are increasingly being expected to diversify their funding sources. Dissolving the links between government investment and increasing the financial contribution of individual students have significantly changed the funding profiles of HE in the UK. The impact of fees reduced the enrolment in the academic year 2012/2013. However, participation rates have been recovering and the subsequent cohorts have been higher than in previous years (HEFCE 2015).

Although the OECD Survey on Skills among adults did not present a flattering image of the levels of young adults' literacy and numeracy skills in England and Northern Ireland, compared to the OECD average (OECD 2013), adult education post-19 is financed by the Skills Funding Agency²⁵ and participation rates in adult education are higher than the OECD average.

²² <http://www.apprenticeshipslevy.com/?gclid=CNjTotiT-s0CFa8W0wodpa4AEA>

²³ Data for 2012 from OECD reports slightly different figures: 11.9 % of total public expenditure and 6.3% of GDP go into education (from primary to tertiary) which is higher than the EU21 and OECD average (data for 2012, OECD 2015). Difference in data might be attributable to the broader category of education provision used by Eurostat.

²⁴ <https://webgate.ec.europa.eu/fpfis/mwikis/eurydice/index.php/United-Kingdom>
England:Funding_in_Education last accessed 28th January 2016.

²⁵ <https://www.gov.uk/government/organisations/skills-funding-agency>

Delivery of education

VET system and governance

The provision of VET in England and Northern Ireland is less clear-cut than the general education track²⁶ (OECD 2013). Young people who want to enroll in vocational education can do it at all level of education from secondary to further education colleges and higher education institutions. Young people at the age of 16 can choose from College-based education and apprenticeships. College-based education combines general academic study with vocational elements or with training at the workplace. VET is also part-time or full-time and accessible to adults in the form of intense and shorter courses or evening/weekend classes (Cedefop 2013).

Students can also enroll in apprenticeships that are sometimes at a lower level than upper secondary education. Programmes and qualifications are numerous and diverse range and the progression routes to postsecondary VET programmes are very diverse. Progression from one level to the next is dependent on successfully passing national qualification (Musset and Field 2013).

There is permeability between the academic and vocational education tracks. For instance, young people in vocational education for post-16 can also study or retake GCSE qualifications that allow them to get into A-level and integrate the academic path. However, access to higher general education for candidates holding a vocational qualification are subject to institutional discretion. The same applies to candidates holding a further education qualification and wanting to integrate a university degree (Cedefop 2013).

As for the upper secondary education level, the share of young people aged between 30 and 34 years old with a higher vocational education degree is lower than the share of young people with an academic higher education degree; the first represents 16.7% compared to 30.4% for the latter (Cedefop 2013).

Policy content

Challenges for VET system

Raffe (2015) and others (Hadjivassiliou et al. 2012, Keep 2015) list a number of weaknesses of the VET system including: a too narrow definition of qualifications, concept of skill and tasks,²⁷ poor labour market returns and low involvement of employers. Further, some VET degrees do not lead to further qualifications and have low permeability with general education, thus reducing the possibility of reorienting an educational choice at a later stage. Raffe (2015) suggests that despite the wave of reforms changing the system over the last 28 years this has not brought the wished for changes in improving the overall level and reputation of VET.

Moreover, VET in England has a complex governance, which is highly fragmented. Keep (2015) argues that state agencies are market regulators: funding responsibility increasingly lies with individuals and employers. At the same time the complexity of the financing schemes, of

²⁶ See Annex 1 for a short description of the education system.

²⁷ An example of a narrow concept of skills - which can be an obstacle to young people netting the labour market via VET - is provided by a study on bricklayer's apprenticeships in England and in Germany. The findings show that in the English system bricklayers are executors, have limited autonomy, cannot easily transfer they knowledge across and most of them do not come from trained VET (Clarke et al 2013).

the programmes of study and qualifications does not ease the involvement of parents, students and also employers (Keep 2015).

The Coalition Government loosened centralisation and encouraged a more flexible local delivery. However, according to Keep (2015) this was not effective due to the large scale of cuts imposed by budget austerity.²⁸ More recently the Apprenticeship Levy introduced by the Conservative government in 2016 and due to be introduced in April 2017 is intended to provide further incentives for employers to make initiatives to develop apprenticeship schemes, or otherwise pay a levy for others to do so. Employers with a payroll in excess of £3 million will have to pay 0.5% of their wage bill towards this fund. This should generate £3 billion per year by 2020 and contribute towards funding 3 million new apprenticeships.²⁹

Lifelong learning

Lifelong learning in England is under the remit of the Department of Business, Skills and Innovation, which also works in cooperation with the Department for Education. Adult education is part of the formal education system and adult learners can enrol in formal education – general or VET – in courses that can be adapted to working time (e.g. part-time university adult students). Informal adult learning also includes learning to the unemployed or vulnerable people outside formal education institutions. Informal adult learning also takes place in the workplace where trade unions and employers are usually involved.

In the UK, the level of adults³⁰ involved in life-long learning was as high as 15,7% in 2015; which means higher than the European average and slightly above the 15% benchmark established in the framework of the Education and Training 2020 strategy. However, data from Eurostat show that the participation in lifelong learning in the UK has been declining steadily since 2010 (Eurostat 2016, see Annex1 Table 18 and Table 19). The decline appears to have affected mostly non-formal learning. This can be partially explained by a lower willingness of people to invest in learning during the economic downturn (Hyde and Phillipson 2014), although not being in employment is usually why people participate in life-long learning training initiatives (Schuller and Watson 2009).³¹ One of the key issues facing the UK labour market is the deficit of intermediate skills at level 3 and above.³²

Internship and traineeships

As in other European countries, traineeships have been playing an increasing central role in school-to-work transitions. Following a decline of job-entry positions (Hadjivassiliou, Tassinari and Swift 2015), internships has gained in interest for employers because they can be a direct access to skills young people via reduced hiring risks and costs. For young people they

²⁸ Between 2010 and 2014, central government-funded post-19 further education suffered a cumulative reduction of 35 per cent (Keep 2015).

²⁹ http://apprenticeships.qa.com/employers/apprenticeship-levy?utm_campaign=googlelevy&utm_source=adwords&utm_medium=cpc&utm_content=googlelevy

³⁰ It refers to adults aged 25 to 64 who took part in education or training in the last four weeks (Eurostat definition).

³¹ <http://www.learningandwork.org.uk/lifelonglearninginquiry/> last accessed 17th July 2016

³² http://www.employment-studies.co.uk/news/ies-viewpoint-plus-%C3%A7a-change?utm_source=IES+emailing+list&utm_campaign=ff6c5a7ca1-Employment_Studies_23_Spring_165_5_2016&utm_medium=email&utm_term=0_f11585705b-ff6c5a7ca1-106783301, last accessed 6th May 2016.

<https://www.gov.uk/government/publications/adult-further-education-outcome-based-success-measures-experimental-data-2010-to-2013>

<https://www.gov.uk/government/publications/social-mobility-contribution-of-further-education-and-skills>

can function as a contact with the labour market and the possibility to develop work-specific skills and more general social skills (Lain et al. 2014). However, if the quality is not monitored, they can turn out to lengthen the school-to-work transitions without securing a short or long-term return for the young person.

Open market internships and traineeships within educational courses are two of the main types of traineeships in the UK (Higgins and Newton 2012). Internships in the open-market are not regulated by specific legislation insofar as they are considered as work or volunteering work. If they are considered as work, internships should comply with the regulation on minimum wage and regulation protects from unlawful discrimination. The number young people taking up open-market internships has been expanding even though a lack on data does not provide an accurate understanding of the size of the phenomenon. Data collected from a programme matching employers and graduates shows that those from ethnic minorities or non-elite universities had more difficult accessing these programmes. Financial support for internships is predominately private (i.e. from employers, trainees and their families). Few national programmes have financed these types of work experience.

Traineeships that are part of education courses are regulated by the single institutions and cannot last more than one year. The quality of these traineeships is to be ensured by education institutions and assessed by the Quality Assurance Agency, which examines the overall quality of higher education (Higgins and Newton 2012). This is in contrast with the traineeships in the open-market that show a much greater variability in terms of quality.

In sum, internships can provide relevant work experience to gain a foothold in the labour market when they provide genuine opportunities of learning and quality work experience. However, the quality of open-market internships is not currently ensured (Higgins and Newton 2012; Lain et al. 2014). Their widespread use as entry jobs could represent a lengthening of the transitions of young people into the primary labour market, at least in some sectors most notably in the media and creative industries.

Assessment

Q1 Do educational and training institutions and recent reforms in each country favour labour market entry of young people through insecure/precarious jobs and to what extent? (match between level and quality of graduates and employers requirements).

There has not been an incentive established by policy reforms to the education and training systems to generate insecure/precarious jobs as such, in that reforms have sought to improve the quality of educational provision. Despite a growth in participation in higher education the UK does not suffer from the same degree of overqualification of graduates compared to that found in other European countries (McGuinness et al. 2015). Nevertheless, the flexible characteristics of the UK labour market mean that while young people have been able to make speedy transitions into employment, the quality of these jobs is often of a poor level, in particular due to the expansion of ‘zero hour contracts’ and unpaid internships.

Q2 Do skills formation system and educational and training institutions in each country provide adequate prevention of – and protection from risks of social exclusion?

One of the major problems in the UK is the persistently high level of NEETs who are more vulnerable to risks of social exclusion (O’Reilly et al. 2015). Attempts at early identification of young people who are potentially likely to become NEET have been introduced in schools with the **Pupil Premium** introduced in 2011.³³ This funding is targeted at schools according to

³³ <https://www.gov.uk/guidance/pupil-premium-information-for-schools-and-alternative-provision-settings> last accessed 17th July 2016

the number of children they have currently receiving free school meals, i.e. their parent's income entitles them to this benefit. Central government funds are allocated to schools on the basis of £1320 per pupil of primary-school (age 4-11) per year, £935 per pupil of secondary-school age (age 11-16), and £1,900 per pupil who has been adopted or in the care system (2015-16 allocations). Recognition of best practice is aimed at extending policy learning.³⁴ The aim of this policy has been to prevent young people becoming NEETs by identifying their risks before they leave school. The Education Endowment Foundation has been conducting a series of evaluations to assess the effectiveness of this policy.³⁵

If the UK can boast the paternity of the term NEETs (Furlong and Cartmel 2007, Maguire 2015) the term has become a broader label which sometimes fail to develop a correct targeting. It also favours, according to Maguire (2015), the individualisation of responsibility for being NEET instead that a broader collective responsibility.

The responsibility for tracking NEETs under 18 lies with Local Authorities (LAs) which had to bear important cuts (Local Government Association 2014).³⁶ In addition to financial strain, the lack of comprehensive data on the destination of post-16 year olds raises doubts about the capacity of tackling unconnected young people. Moreover, Maguire (2015) suggests that policies for NEETs are fragmented and are under the responsibilities of several institutions (Local Government Association 2014).

A pilot project targeting NEETs – ran between 2006 and 2011- were the **Activity Agreements** (AA) in collaboration with the local Connexion career guidance service (see above). AAs included a mix of guidance, flexible learning and financial support that aimed to re-engage young NEETs. Young NEETs, usually referred by other organisations or institutions, received £30 for up to 20 weeks in return for engaging in activities that would have led them back into learning. This pilot project revealed that raising the school participation age could function if it is coupled with rewarding the choice of young people to stay longer in education or training, providing guidance services and responded to individualised needs (Maguire et al 2009; Maguire et al 2011).

Other funding programmes have also been implemented such as the DWP **Innovation Fund** (2012) supporting those young people at risk aged 14 and over and the **Youth Engagement Fund** (2014) which provide £16 million to help young people aged 14-17 to participate in training and education in order to increase their employability and reduce their possibility of offending.³⁷ These programmes are partially financed via **Social Impact Bonds (SIBs)**: an innovative financing method which is conditional on achieving results, not in terms of output but rather, in terms of improved social outcomes (e.g. better health of the population concerned). The aim of these types of investments is to attract private investors in areas of early intervention. SIBs are mostly thought as a way of shifting the risk to invest in costly areas with often a low or uncertain return while providing incentives for developing innovative schemes that are expected to have high social impact but lack funding (Mulgan et al. 2011). There have been some successful assessments this mechanism of investment.³⁸ However, critical approaches have also challenged the definition of fair outcomes, the design and the difficulty

³⁴ <http://www.pupilpremiumawards.co.uk/> last accessed 17th July 2016

³⁵ <https://educationendowmentfoundation.org.uk/evidence/teaching-learning-toolkit> last accessed 17th July 2016

³⁶

<http://webarchive.nationalarchives.gov.uk/20130401151715/http://www.education.gov.uk/publications/eOrderinDownload/7508-DCSF-Neet%20Toolkit.pdf> last accessed 17th July 2016

³⁷ https://data.gov.uk/sib_knowledge_box/funding-0, last accessed 24th March 2016.

³⁸ See for example

http://www.bigsocietycapital.com/sites/default/files/pdf/2015_10_20%20ThinkForward%20Announce%20SIB%20success.pdf

in foreseeing and assessing outcomes when multiple institutions might be involved (McHugh et al. 2013). Recent media reports suggest that the competition for SIBs led to exaggerated promises of bidders in terms of outcomes with, as a consequence, a higher risk of missing their targets.³⁹

Recently, two major Government strategies have addressed the problem of youth engagement and unemployment: in 2010 *Positive Youth* (see Annex 1, box 6) and in 2011 *Building Engagement, Building Futures*. The first promotes a cross-government approach to youth policy focusing on young people aged 13 to 19 and it mostly addressed young people's engagement via voluntary sector experiences, funding innovative small-scale projects, national citizen service, participation in learning and support programmes for families. The latter, implemented under the Coalition Government, is mostly focused on tackling unemployment and it includes the launch of apprenticeship programme, the National Career Service, the Skills Conditionality discussed in the next sections.⁴⁰

Q3 Have recent reforms in skills formation system and educational and training institutions aimed to generate more flexibility or promote flexicurity?

The UK labour market is characterised by having a high degree of flexibility so the pursuit of further flexibility has not been a top policy objective, but one that has come in 'through the back door' in the use of zero- hour contracts discussed in part 2. In relation to the educational system there have been important changes in the governance of schools in the last five years to raise the school leaving age (2008), to introduce and extend academy schools (2010) and to improve careers services (2011) with the objective of increasing employability (see also Annex 2, box 2, 5, 10).

In 2008, the Education and Skills Act – applied to England and devolved to Scottish and Welsh and Northern Ireland administrations - introduced a proposal for gradually raising the participation age (RPA) to 18 years as from March 2015. The main rationale behind this was that a longer period in education would increase young people's skills and boost their employability and earning capacity (Maguire 2013). Designed as a mandatory scheme for young people, it became voluntary under the Coalition Government. Maguire estimates that RPA is however less of a challenge *per se* as the majority of young people stays up to 18 years old. These high levels are the results of a series of reforms during late 1990s and early 2000s – i.e. Education Maintenance Allowance, Connexions, and the September Guarantee⁴¹ - which have been partially scrapped, in England or their delivery has been modified. To compensate for this the 2011, the Education Act introduced the legal duty for schools to provide students with access to independent career service. However, a recent evaluation reported several obstacles such as a lack of cooperation with the National Career Service and with employers, undermining the success of this initiative (Hadjivassiliou et al. 2015).

One of the most significant reforms has been the introduction of academies in England through the 2010 Academy Act introduced by the Labour government. 'Academies' were introduced to replace poorly-performing schools. This was later modified so academies could be opened in areas that needed extra school places. Academies were intended to involve a variety of actors, not necessarily traditionally linked with the provision of school education, such as charities, business, individual philanthropists, faith groups, and universities amongst others (House of Commons 2015). Since the Labour Government, academies enjoyed a broader scope

³⁹ <http://www.theguardian.com/voluntary-sector-network/2015/dec/10/do-social-impact-bonds-really-work-for-charities> , last accessed 24th March 2016.

⁴⁰ <https://www.gov.uk/guidance/social-impact-bonds>, last accessed 24th March 2016.

⁴¹ <https://www.gov.uk/government/publications/september-guarantee-offers-of-education-or-training-for-16-to-17-year-olds>, last accessed 21st March 2016.

for autonomy in terms of staff pays, curriculum provision, governance and governing bodies. Already with the Labour government, the driving idea was that academies could stimulate competition and cooperation particularly among schools, academies and universities by making use of their autonomy and support both the Government but also from private funds. Some initial assessments indicated that pupils' performance improved faster in academies with positive spill over effects for Key Stage 4 performance at aged 15-16 years old. It also increased competition between local schools and the range of choices for young people (Machin and Vernoit 2011). However, some academies tended to exclude the most disadvantaged pupils through their selection process and they also benefited from more financial support than non-academy broad-based schools (House of Commons 2015).

A report from the House of Commons argued that academies are not the only solution and the government should stop exaggerating the role played by the 'academicisation' of schools (House of Commons 2015). This research has shown that there is no direct link between academies and higher attainment, and that better results are due to a mix of factors, including higher accountability. The Parliament report argued that Local Authorities were needed to hold schools to account. However, the Conservative government announced in the April 2016 Budget that all schools in England would be converted to Academies by 2020⁴² although this policy is now under review. Finding sufficient good quality sponsors for these schools will be a serious challenge⁴³ and Maguire (2015) suggests that monitoring NEETs will become more difficult.

Changes in VET and Apprenticeships

The recent Richard Review of Apprenticeships (2012), commissioned by the Government on reform the apprenticeship scheme, established a clear definition of an apprenticeship. An apprenticeship is "*a job in a skilled occupation; it requires substantial and sustained training; it lasts a minimum of 12 months and including off-the-job training and leads to full competency in an occupation because it complies with standard that is defined by employers. Further, an apprenticeship provides with transferable skills, including fundamental skills such as English and maths, to progress further*". (ETUC and TUC 2016)

After numerous reforms in the last decades, apprenticeships seem to be increasingly chosen by young people and, since 2011, Government funding has massively increased the rate of participation in apprenticeships. The target is to reach 3 million starts by 2020 and, by then, also create by 2017 an independent and employer-led body, the Institute for Apprenticeships. This institute will be in charge of regulating the quality of apprenticeships within the context of the Government strategy (HM Government 2015). In April 2017, the Government will also introduce of an apprenticeship levy⁴⁴ where employers operating in the UK with a payroll of over £3 million per year will be required to make an investment in apprenticeship (further details will not be available until October 2016).

In England, there are different types and levels of apprenticeships ranging from Level 2 intermediate apprenticeship (Upper secondary education level), Level 3 Advanced

⁴² <http://www.bbc.co.uk/news/education-35815023>

⁴³ <http://www.theguardian.com/education/2016/mar/15/every-english-school-to-become-an-academy-ministers-to-announce>, last accessed 21st March 2016.

⁴⁴ <https://www.gov.uk/government/publications/apprenticeship-levy-how-it-will-work/apprenticeship-levy-how-it-will-work>, last accessed 16h May 2016.

Apprenticeship (Foundation level – a short University programme) and Level 4 Higher Apprenticeship (Bachelor’s or Master’s Degree).

Recent data for England show that the participation rates in apprenticeship have been increasing due to marked increase of young people aged 25 and over, who represent in 2014/2015 43% of new apprentices compared to young people aged 19-24 and under 19. This raises doubts about the role of apprenticeship in smoothing first transitions in the labour market for the youngest groups (see Table 24 Annex 1, Delebarre 2016)

To increase the participation of younger people aged 16-24 in apprenticeships the **Apprenticeship Grant for Employers (AGE)** was introduced in 2012 and will be extended to year 2016/2017 (HM Government 2015). It targets SMEs new to apprenticeships. A 2013 evaluation from BIS shows that there were more aged 16 to 18 apprentices than in apprenticeships without support, this suggests that AGE scheme is targeting those young people aged between 16-18 who might find it more difficult to enter an apprenticeship. Data from BIS report that 30000 grants were delivered although 40000 were to be achieved. Further, the completion rate of young people financed through AGE is similar to the regular apprenticeships (Department for Business Innovation & Skills 2013).

To respond to the lack of involvement and ownership of employers in apprenticeships the **Apprenticeship Trailblazers** programme was launched in 2012. The programme included 140 trailblazers and over 1,200 employers who developed new apprenticeship standards. A recent evaluation shows positive results in terms of employers’ engagement and ownership in the design of apprenticeship scheme (Newton et al 2015).

A further programme for smoothing STW are traineeships. **Traineeships** are meant to prepare young people are not ready to enter an apprenticeship as they lack basic skills. BIS (2015) report positive feedback from trainees and employers involved in this programme and half of those who finished the traineeship were either in work or apprenticeship (42% in the same company) and 17% in education or training. However, the lack of quality requirement may reduce its success (Hadjivassiliou et al 2015)

Finally the 2010 Academy Act has also reformed VET and created the University Technical Colleges (UTC) (see also Annex 1, box 5)– upper secondary education free schools ⁴⁵- for young people aged 14 to 19. Compared to other upper secondary education the student population is younger. These Colleges are thought of as a cooperative endeavour including local employers and universities, in order to offer technical course and work-related learning in combination with academic studies and better prepare young people with skills needed in the labour market. UTCs specialise in two specific areas – mostly technical and scientific – and are expected to provide modern technologies and relevant practical experience. The direct involvement of local universities and employers within a relaxed legal framework was expected to unleash the potential of profit and not-for-profit organisations to contribute to diversify the education offer in England while clearly defining roots to higher education or work through hand-on and practical experience.

In 2015, there were 39 UTCs in England but two of the first UTCs created were closed down in 2015 because of a lack of pupils and critical reports from Ofsted (Office for Standards in Education, Children’s Services and Skills). While it seems still too early to assess the success

⁴⁵ Free schools are funded by the government but are not run by the local council. They are run on a not-for-profit organisation (e.g. charity, groups of parents, business etc.). Free school can set their own pay conditions and change time and school terms. While they do not have to follow national curriculum, they are still subject to Ofsted inspections. UCT are a type of free school. Last accessed on 6th May 2016 <https://www.gov.uk/types-of-school/free-schools>

of failure of these Colleges, some critical aspects were already brought to light: low enrolment, low attendance and a gender participation issue (Long and Bolton 2016).

In sum, the main force of policy initiatives have sought to increase the proportion of young people in training schemes, to improve the quality of these and to introduce levies to make employers participate. Alongside these changes there has also been a growth in zero hour contracts. One of the key challenges for the UK labour market will be to address its low productivity record and the skills shortage at Level 4 qualifications.

Section 2. Employment regulation and wage setting

Summary

The UK has one of the most flexible labour markets in Europe with some of the lowest levels of Employment Protection Legislation (EPL). The policy objectives have been to move benefit recipients into work and to ‘make work pay’ i.e. so that wages are more financially rewarding than benefits. As part of the government welfare reform additional rising of the National Minimum Wage to become the National Living Wage was an attempt to raise wage levels at the bottom of the income hierarchy. Young people were excluded from these reforms so they still remain relatively cheap for employers to employ them. Alongside these broad characteristics of employment regulation has also been a commitment to equality and fair treatment. The achievement of some of these goals has been questioned by the introduction of zero-hours contract and draconian management methods which have penalised low paid workers. It is common practice in the face of weak collective partnership, for litigation to be used to address inequalities and discrimination (O’Reilly et al. 2015).

Policy objectives

The employment policy objectives of the UK governments have been to encourage a flexible labour market to maintain relatively high levels of employment. Since 2005 the UK has also had an open door policy to welcoming EU migrants, especially those from Eastern Europe. However, since the onset of the Brexit Referendum this policy will change, although this is as yet unspecified.

A number of the migrants to the UK have been young Europeans across a range of different skill categories from low skilled agricultural labourers, skilled construction workers, to care workers and health and education professionals. Many of the terms and conditions of these young migrant workers are inferior to those of natives from the UK (Leschke et al. 2016). They are less likely to be receiving benefits and more likely to be in work.

To address issue of unfair discrimination and competition at the bottom of the labour market the government introduced the National Living Wage. Young people were excluded from this, so that they still remained attractive to low wage employers.

Institutional framework and governance of employment contracts

Employment and trade union laws are established at the central government level stipulating contractual relationships and minimum standards. Beyond these legal limits workers and employers can agree on terms and conditions either through trade unions, where they have representation, or through employers prerogative established within the boundaries of the law. Collective bargaining is at the company level with a very limited role for trade unions and employers’ organisations to negotiate at the central level. Dispute resolution is channelled through the Advisory, Conciliation and Arbitration Service (ACAS)⁴⁶ before launching industrial action. Significant constraints on taking industrial action have been imposed by the Trade Union Act 2016. Industrial action under this new legislation will now only be lawful after a ballot turnout of at least 50% of the union’s members. Further constraints on those

⁴⁶ <http://www.acas.org.uk/> last accessed 16th July 2016.

working in “important public services”, including health, education and transport, requires unions to achieve an additional threshold of 40% of support from all eligible members before industrial action is legal. The Trade Union Confederation described this as an attack on the right to strike.⁴⁷

Despite a positive attitude and desire to join trade unions, young people’s membership in the UK has decreased, like Germany, since the mid-1990s. Among the reasons for this decrease is the shift towards more individualised approach to job and the higher probability that young workers are in companies and sectors where union organization is weak or inadequate; or young people are employed on precarious contracts that do not encourage them to become a member (Vandaele 2012).

The significant decentralisation of collective bargaining means that wage setting is usually found at the company level where negotiations with trade unions have been declining substantially (Adam 2015). Wage determination in the private sector is strongly determined by market mechanisms which for some groups of workers, especially the low-skilled, means they are more likely to be on the national minimum wage and therefore subject to how this rate is set by the independent Low Pay Commission.⁴⁸

Employment legislation for fixed-term and permanent contracts

With regard to contractual arrangement and differences in employment protection legislation for fixed-term and permanent contracts, employers have a duty of equality of treatment under the Equality Act 2010⁴⁹ that also covers equal treatment for protected groups. Further, employees have the same pay and conditions as permanent staff, as well as the same or equivalent benefits package; information about permanent vacancies in the organisation, and protection against redundancy or dismissal. If a fixed-term employee has worked continually for the same employer for 2 years or more, they will have the same redundancy rights as a permanent employee.⁵⁰ Dismissal is preceded by a notice period which is either statutory or arranged contractually. Statutory redundancy notice period range from at least one week to 12 weeks’ notice depending on the time spent as an employee (from 2 years and one months or 12 years or more). The notice period can be replaced by payment.⁵¹

Probationary periods are agreed between employer and employee, they usually last between 3 and 6 months but can also be shorter depending on the length of the contract. A probationary period does not affect employee’s statutory employment rights, which start from the first day of the contract. Unfair dismissal can be submitted to a court until 2 year’s service has been completed⁵².

The fact that there is a very flexible and light EPL has also excluded any discussion on a further flexibilisation of the labour market as a tool for answering to the issue of youth unemployment (Hadjivassiliou et al 2015).

⁴⁷<http://www.personneltoday.com/hr/trade-union-act-2016-becomes-law/> and <https://www.gov.uk/government/news/trade-union-act-becomes-law> and http://www.eversheds.com/global/en/what/articles/index.page?ArticleID=en/Employment_and_labour_law/trade-union-act-a-summary-for-employees last accessed 16th July 2016.

⁴⁸ <https://www.gov.uk/government/organisations/low-pay-commission> accessed 17th July 2016

⁴⁹ <http://www.legislation.gov.uk/ukpga/2010/15/contents> last accessed 16th July 2016.

⁵⁰ <https://www.gov.uk/fixed-term-contracts/employees-rights> , last accessed 16th May 2016.

⁵¹ <https://www.gov.uk/redundant-your-rights/notice-periods>, last accessed 16th May 2016.

⁵² <https://www.oecd.org/els/emp/All.pdf>, last accessed 21st July 2016.

Policy reforms

Minimum Wage

The current aim of the Government is to reward more experienced workers and encourage people living on benefits to take up employment (LPC 2015). From the 1st April 2016 the National Living Wage (NLW) replaced the National Minimum Wage (NMW). It is higher than the previous NMW, although still lower than the Voluntary Living Wage.⁵³ It applies to those aged 25 and older (rising from £6.70 an hourly to £7.20). However, the NMW will still apply for younger people. This means that as from April 2016 young people aged between 16 to 17 are entitled to an hourly wage of NMW £3.87 which represents 53.75% of the new hourly National Living Wage (NLW). For the under 16s there is no NMW protection. Young people aged 18 to 20 and between 20 will be entitled to £5.30, i.e. 73.6% of the NLW and apprentices aged 19 or over but in their first year of their apprenticeship will receive only £3.30 which represents 45.8%⁵⁴ of NLW.⁵⁵

The Low Pay Commission reported that in April 2014 there were 1.4 million minimum wage jobs, i.e. 5.3% of jobs in the UK, in the UK of which 139,000 NMW jobs were held by 18-20 years olds and 40,000 NMW jobs held by 16-17 year olds.⁵⁶

The latest release from the Office for National Statistics reported that in April 2015 there were 209,000 jobs with pay less than the National Minimum Wage (NMW) held by employees aged 16 and over. They constituted 0.8% of UK employee jobs, 0.6% of full-time employees and 1.2% of part-time employees. Young people aged between 18 and 20 years old are more likely to be paid less than the National Minimum Wage compared to those aged 21 or more, namely 2.6% in the first group and 0.7% for the latter.⁵⁷ Women, regardless their full-time or part-time employment, have a higher proportion of contract paid under the NMW (0.9% for women and 0.7% for men).

A recent report on the impact of the 2011 freeze on the Youth Development Rate (the NMW) for young people aged 18 to 21 and the 16-17 Year Old Rate (the NMW for this group) shows that the slowdown and freeze in the two youth rates measures appear to have increased the likelihood of being employed for young people aged 16 to 20, compared to young adults aged 21-22 who were eligible to “full” NMW (Conlon et al 2015). In this way by holding down youth wage rates the government has sought to make the recruitment of young people more attractive to employers, but it does little to address the quality of this employment.

Temporary employment & Zero-hours contracts

The share of young people (aged 15-24) in temporary employment is higher than for adults; however the share is one of the lowest in Europe (15.2% in 2014). The proportion has been rising since the onset of the crisis suggesting that temporary contracts are still used by employers to reduce the margin of economic uncertainty. The rise in the use of casual contracts

⁵³ The voluntary living wage is calculated independently from the Government and it accounts for the local costs of living. Businesses can freely decide to pay it. <http://www.livingwage.org.uk/what-living-wage>

⁵⁴ Our calculations based on the National Living Wage for 25 and over and NMW for the younger groups.

⁵⁵ See for a recent comment on the introduction on the national living wage and young people <http://www.theguardian.com/commentisfree/2016/mar/31/low-paid-young-people-pay-rise-national-living-wage>

⁵⁶ <https://www.gov.uk/government/news/the-government-accepts-minimum-wage-rate-recommendations> last accessed 16th July 2016

⁵⁷

<http://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/bulletins/lowpay/april2015>, last accessed 16th May 2016.

(among others “zero-hour-contracts” – ZHC – introduced in the 1980s and 1990s) was significant during the crisis and has remained stable between 2014 and 2015 (ONS 2015). ZHC contracts are also known as casual work and are usually for “piece work” or “on call”. This means that the person is not obliged to give her work nor a potential employer has to give work asked. As for other contracts, they are entitled to annual leave and National Minimum Wage as regular workers. ZHC worker should be free to work for job and accepting work from another employer.⁵⁸ Individuals under ZHC may be engaged as “employees” or “workers”. These two employment statuses carry different rights: workers are usually not entitled for instance to statutory minimum notice, statutory redundancy pay, statutory parental leave and emergency time-off. While the employee, i.e. the most protected status, appears to be the most used as reported by employers, there is not the same perception from individuals (CIPD 2013). This confirms the confusion and the potential misuse of these contracts.

As for the share of ZHCs in the labour market, 34% of those who are on ZHCs are young aged 15-24 years old and young people in full-time education are more likely to have a ZHC (ONS 2015).⁵⁹ Big companies hiring 250 or more employees, in particular in the accommodation and food sector use nearly half of all ZHCs.

In addition to ZHC there are other forms of temporary employment: fixed-term contracts, temporary agency work, seasonal work and in some cases apprenticeships. Fixed-term contracts are meant for covering projects or long period of absences: temporary agency workers are widespread in the UK and after 12 months of continuous employment they must receive equal pay and conditions similar to permanent employees. Seasonal workers have much shorter types of contract that last between 1 and 3 months (Gamwell 2013). They are nonetheless entitled to NMW, statutory minimum holidays, and protection against discrimination and whistleblowing.⁶⁰

Assessment

Employment regulation in the UK, in particular the exclusion of young people from the rise in the National Living Wage, serve to keep young people in an income bracket designed to make them more attractive for employers. In combination with measures mentioned earlier there is an attempt to improve the qualifications young people obtain. Employment law gives British employers considerable degrees of freedom of contract, so there are no comparable incentives for British employers to hire on temporary rather than a permanent contract. While subsidies are granted to employers who taking on apprentices, according to Gamwell (2013) it is only in a few sectors that trade unions and employers have been able to reach an agreement about the use of temporary contract for encouraging apprenticeships.

Compared to Germany, temporary contracts in the UK have mostly an “integrative transition” effect (O’Reilly 2003). The effect of temporary contracts on young people’s trajectories in the UK suggests that there are more chances for catching-up and using them to secure more stable positions (Scherer 2004). However, young temporary workers also suffer from higher risks of

⁵⁸ <https://www.gov.uk/contract-types-and-employer-responsibilities/zero-hour-contracts>, last accessed 16th May 2016.

⁵⁹ http://www.huffingtonpost.co.uk/2016/03/09/zero-hours-contracts-young-people-rise_n_9416286.html last accessed 16th July 2016.

⁶⁰ <https://www.gov.uk/employment-status/worker> last accessed 16th May 2016.

unemployment. Gebel (2010) found that temporary contracts are not exactly a scar, but catching-up in the long-term is not completely successful. In the context of a growth in zero hour contracts, which have grown the most amongst the age group 16-24 of workers, the boundaries between permanent and temporary are increasingly blurred.

Section 3. Active Labour Market Policies and activation

Summary

Although the proportion of long-term unemployed young people fell during the crisis due to high inflows of young people into unemployment, a core group of long-term unemployed youth persists despite signs of a recovery (see Annex 1, Table 10). The UK has frequently adopted a series of ad-hoc, time-specific, client-oriented policies focused on rapid access to the labour market. The structure of policy delivery combines a form of “centralised localism” with core government departments responsible for the financing of training and benefit provisions, alongside a decentralised local delivery through JCP and a variety of service delivery providers. While on one hand this form of policy delivery is claimed to provide greater flexibility in meeting local needs, it is also criticised for suffering from the perennial problems of creaming and parking. This may in part reflect the difficulty of policies aimed at addressing the problem of long-term youth unemployment, even if there is credit to be given to successful policies that have moved young people into work.

Policy objectives

The UK is known for its work-first approach with client-oriented ALMPs and a strong degree of marketization (Zimmerman et al. 2015). In the latest Government Agenda for Welfare Reform (2015) the emphasis on personal responsibility is strongly reiterated. A clear behavioural approach to joblessness is adopted insofar as “employment must be the aspiration for all who are able to work”.

The goal of the Coalition Government (2010-2015) and of the incumbent Conservative government has been to counteract the effect of the crisis with time-limited policies (e.g. Youth Contract and its component such as “wage incentives”) because intensive support was mostly thought as a temporary measure during a specific period. At the same time, benefit conditionality increased to reinforce work incentives and reduce welfare dependency. Policies targeted at young people emphasis gaining work-oriented skills and job search strategies. Setting up activation measures with strong work and on-the-job training components has increased benefit conditionalities. For a limited period of time, wage incentives were made available to employers to boost hiring young people.

Institutional framework and the changes: Governance

UK employment policy has been characterised as “centralised localism” (Lødemel 2001, in Lindsay et al 2008; Zimmermann et al 2015). The institutional framework for delivering labour market policies in the UK is organised by the government Department for Work and Pensions

(DWP) and Job Centre Plus (JCP).⁶¹ JCP is a decentralised network of over 700 Public Employment Services. JCP are responsible for paying unemployment benefits and implementing welfare-to-work programmes, carrying out job-broking and referrals (OECD 2014).

Alongside these government bodies, there exist a large number of third sector organisations (e.g. NGOs, social enterprises) delivering services to young people who are difficult to reach with “traditional” approaches to activation.

There is a division of labour between government departments on the financing and delivery of training provisions. The Department for Business Innovation and Skills (BIS) is responsible for financing training programmes for unemployed adults (over 19 years old), but the delivery of services are provided by the Department of Work and Pensions (DWP) (OECD 2014). The Department for Education (DfE) can cooperate with the DWP on recording and tracing NEETs, for instance, through the Education Funding Agency (OECD 2014). Employment policy and income maintenance transfers are then controlled centrally; while there is administrative decentralization comes via Jobcentre Plus (JCP). Centralising some of the support programmes targeted at young people has been seen by some stakeholders as backwards step in trying to better customise youth support to local realities (Hadjivassiliou et al. 2015).

Local authorities are not involved in the delivery of activation policies but are in charge of education and social care which are considered complementary policies, particularly regarding young people not in employment education or training (see section on Education above). Further, ad-hoc cooperation has been implemented in a number of Local Authorities and in cooperation with the DWP⁶² and other local actors such as the local voluntary sector. Indirectly Local Authorities can also be involved in tackling worklessness by cooperating with local business, through for the Local Enterprise Partnerships that could contribute to job creation. Local Authorities are also involved in housing policies and contribute to housing support for workless or low income citizens.

Trade unions play a role through Union Learn⁶³ a learning and skills organisation of the TUC. Unions are involved in directly lobbying politicians around policy and assisting unions in the delivery of learning opportunities for their members as well as managing the Union Learning Fund (ULF)

Policy content

Services available to young people: Scope, targeting and regional distribution

In 2013, the European Council approved the implementation and the funding of the Youth Guarantee (YG), a broad active labour market programme targeting young people unemployment and the inactive. The general features of the YG included an offer of an apprenticeship, continued education, a traineeship or good employment within 4 months of becoming unemployed or leaving formal education (Council of the European Union 2013).

⁶¹ Most of the information presented in this section refers to England as Wales, Scotland and Northern Ireland have devolved responsibilities on these issues and the previous policies are in the remit of their governments.

⁶² https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214613/dwp-worklessness-codesign-ir.pdf last accessed 16th July 2016.

⁶³ <https://www.unionlearn.org.uk/> and <https://www.unionlearn.org.uk/introduction-ulf> last accessed 16th July 2016.

The UK decided not to implement a YG scheme arguing that the Youth Contract – introduced in 2012 - was already complying with the requirements of the Youth Guarantee and reaching the right population (Eurofound 2015). Further, although supporting the overall aim of the YG, the Government claimed that it was inappropriate for young people in the UK: a large proportion (80%) already leaves unemployment in less than six months.⁶⁴ However, this position was not supported by the House of Lords enquiry: they considered that the destination of young people leaving benefits was problematic and recommended implementing the YG. Contrary to England, Wales has decided to implement the Youth Guarantee (House of Lords 2014).

Although the Youth Guarantee has not been adopted in England, funding coming from the European Youth Employment Initiative (YEI) has been distributed to those areas with more than 25% of youth unemployment in 2012 (such as Inner London or the West Midlands).⁶⁵ The YEI, which does not require any co-financing, requires nonetheless countries to comply with some EU criteria. Although at the national level the UK has not supported the implementation of an YG, the conditionality imposed on the way the money is spent can have an “Europeanising” effect on local policies (Bussi et al. 2015) (this aspect will be investigated further in WP8). However, in the context of Brexit it is not clear what will happen to these kinds of policies; the expectation would be that any EU funding would no longer be available and national resources would need to be allocated to addressing these problems.

The Young Person’s Guarantee and the Youth Contract

The Young Person’s Guarantee (YPG) implemented between 2010 and 2011 was an ad-hoc time bound measure designed to address the problems of the financial crisis on the scarcity of jobs for young people. It was subsequently superseded by the Youth Contract (YC) in 2012. (see also Annex 2, box 3 and 17)

The YPG stated that young people aged between 18 and 24 year olds had to receive an offer of a job, training or work experience if they reached six months of unemployment. The YPG was strictly linked with Future Job Funds (FJF) programme which was initially designed to create subsidised temporary jobs for young people who found it difficult to find a job (House of Commons 2011) The programme was on a voluntary basis (DWP 2012). The final evaluation reports that between October 2009 and March 2011, just over 105,000 jobs were created under the FJF and that the programme cost approximately £680 million (DWP 2012).

The DWP provided funding usually to consortia, often led by local councils who ensured that the jobs offered to these young people were at least 6 months long, for at least 25 hours a week and paid at the NMW (House of Commons 2011). Although the Future Jobs Fund vacancies had been the lion’s share of the YPG, young people were also integrated in other schemes such as the Community Task Force, Routes into Work – Pre-employment training and Work Focused Training (DWP 2011).

The Youth Contract (YC)⁶⁶ introduced in 2012 targeted at young people 16-24 and claimed to allocate £1 billion to helping them find work. It combined existing schemes (Mirza-Davis

⁶⁴ <http://www.publications.parliament.uk/pa/ld201314/ldselect/ldcom/164/16407.htm>, last accessed 21st March 2016.

⁶⁵ <https://www.gov.uk/government/news/170-million-to-help-young-people-find-jobs>, last accessed on 7th April 2016.

⁶⁶ <https://www.gov.uk/government/publications/youth-contract-16-and-17-year-olds/youth-contract-provision-16-and-17-year-olds> last accessed 15th July 2016.

2014) and ended in March 2015. The measures under the YC included: the *Apprenticeship Grant for Employers* (AGE 16-24, see above) and the *Work Experience Programme* which provides placements through Jobcentre Plus to young people who had been claiming JSA for at least 13 weeks (see also Annex 2, box 15). The YC also included a specific financial support to providers who targeted NEETs aged 16 to 17; this was a scheme of intensified meetings with a work coach every two weeks. The final evaluation showed that for this component of the Youth Contract, significant and positive impacts were recorded on reducing NEET rates. Young participants had much lower NEET rates than the counterfactual group at six and twelve months following on from the start of the YC. Further positive returns were found in terms of re-engagement in education and training (Newton et al 2014).

In the policy implementation framework sector-based work academies were also used to provide potential activation including a mixture of training, work experience and a job interview at a local firm through Jobcentre Plus (Mirza-Davis 2014). The Youth Contract also included wage incentives for duration of three years for employers, preferably those in the private sectors who wanted to employ young people between 18 and 24 years old. Eligible young people had to have been unemployed for 6 months, but no wage, training or job quality requirement was required of employers. Wage incentives linked with the Youth Contract were paid only if the person stays employed for at least 26 weeks.

The YC was a continuation of the YPG, despite being implemented by two different governments. Both schemes were very similar and did not deviate from the underpinning normative values of a ‘work-first’ approach characterised by a strong reliance on job-search, labour market proximity, modified individual behaviours and short-term hands-on experience to better integrate the labour market. Beyond England, additional programmes exist at the level of the devolved administrations, in particular, the ‘Opportunities for All’ scheme (in Scotland), the ‘Youth Engagement and Progression Framework’ in Wales, and the ‘Pathways to Success’ in Northern Ireland (Eurofound 2015).

Youth Contract: tackling the youngest NEETs

The intensive support for hard-to-reach young people aged 16 to 17, which ended in March 2016, was delivered in two ways and financed by the Education Funding Agency (EFA).⁶⁷ First the programme was delivered nationally via a ‘payment-by-results’ model. This was implemented for the first time on the programme targeting young people under 18. It focused on a specific population of young people characterised as low-skilled, care leavers and/or young offenders. The second way of financing was via local delivery managed by local authorities (Newton et al 2014). The programme lasted for a maximum of 12 months and sought to bring young NEETs back into education or work combined with a training experience (Maguire 2015).

A critical point of the programme was the high reliance on hard outcomes, like re-engagement in work or education/training, which are not always suitable for the most disadvantaged who may struggle to enter education, training and work. Rather the results also needed to account for soft-skills and increased self-confidence and motivation the young person might have acquired during the coaching (Maguire 2015).

Maguire (2015) reports that the take-up has been lower than expected and that the positive outcome for these measures have been weak. Only a small proportion of those who re-engage in a positive exit were able to maintain continued employment. However more recent data report

⁶⁷ <https://www.gov.uk/government/organisations/education-funding-agency> last accessed 14th July 2016.

that 43% of young people enrolled in the programme did secure sustained employment⁶⁸ (Education Funding Agency data 2015, see Annex). Evaluations have been mixed with some more sceptical and others more enthusiastic about the policy achievements (Hadjivassiliou et al 2015). A possible extension of the programme has not, at the time of writing, been announced, but it is highly probably that future initiatives share these essential elements of continuity. These common characteristics appear to be time-specific initiatives with increased flexibilisation and local discretion. In addition the personalisation of the service through special advisers and named work coaches have been seen as very effective (Jordan and Thomas 2013).

The Work Experience programme

The Work Experience Programme (WEP) targets young people aged 16 to 24 who are receiving Jobseeker's Allowance (JSA, see next section on benefits) (see also Annex 2, box 12). WEP was included as an alternative voluntary scheme for young people under the Youth Contract. The aim is to get a work experience opportunities through Jobcentre Plus that last between 2 and 8 weeks (25/30 h/week). Young people may also be able to get help from Jobcentre Plus for costs related to work experience, e.g. for travel or childcare. The decision to participate on WEP is voluntary, but once the place is accepted it becomes compulsory, so sanctions may apply. Young people undertaking a WEP placement continue to receive their benefits and, therefore, are required to continue to sign for their benefits each fortnight and actively seek employment during the period of their participation (DWP 2012b). At the end of the WEP, the company has no obligation to hire the young person.

Early findings from DWP show that after the 8-week period, WEP had a relevant and beneficial impact (DWP 2012b). Overall, the benefit impact over the first 21 weeks equated to participants being off benefits for an average of about 5 days more than if they had not participated. However, criticisms of the voluntary non-paid nature of this work have been raised (Hadjivassiliou et al 2015).

Tackling long-term unemployment

The Work Programme (WP)(see also Annex 2, box 11) introduced by the Coalition Government in 2011 is the major policy platform for the long-term unemployed, and continues today under the Conservative Government elected in 2015, fully embracing marketisation, contractualism and managerialism (Carter et al 2015).

The delivery of the WP takes place via contracts that the DWP establishes with mostly private providers; these can, in turn, be sub-contracted to other providers. This makes the supply chain very complex. Job-seekers are reallocated randomly by the JCP towards the private sectors if they have not found a job within 9 to 12 months. The contract works according to the 'black-box' delivery model meaning that each provider is free to adopt and experiment the best way possible of bringing claimants back to work. The provider is later paid by results, i.e. if it is able to put the person into "sustained paid work" (for 3 or 6 months depending on the payment group) and additional payment if the person remains in employment up to maximum of 24 months. Although providers operate with no real control on their standards, there is a high pressure on costs and performance results (Carter et al. 2015)

⁶⁸ Sustained participation for at least 5 months out of 6 months in full-time education or training; or apprenticeship or full-time or part-time employment.

The price paid for each job-seekers is divided into 9 categories according to how difficult they are to be placed in work. Young people aged 18- 24 accounts for 20% of the Work Programme population, and are referred by the JCP after 9 months of being unemployed. The charges attributed to this category are one of the lowest – reflecting the relative ease of getting young people into work. Young NEETs are also included in the WP via the JSA Early Access groups. The maximum charge for this category of Early Access is much higher reflecting the difficulties of finding a placement for NEETs.

Although differentiate levels of payments are meant to make the “hard to place” more attractive for providers, this does not prevent ‘creaming’ those who are easier to place and ‘parking’ more difficult candidates where the barriers to placement are seen as particularly challenging and time consuming to place.

Assessment

Labour market policy in the UK is frequently characterised as being ad-hoc, time-specific, and client-oriented. Policies are very much focused on achieving a rapid access to the labour market or integration in some form of further training that would lead to employment. The structure and delivery of policy encompasses a ‘centralised localism’ that is intended to allow more sensitive response to local needs, and a growing recognition of the importance of a ‘personal touch’ in the relationship between the service provider and the young person looking for work or training opportunities. While policies receive funding from central government they are delivered by a range of organisations that have considerable freedom to find the best way to achieve their targets that determine their payment by results. Policies have also been designed to reward placements of longer than six month duration and some of these have been seen to be successful as recognised in a number of evaluations. Nevertheless, there can also be considerable ‘churn’ with a hard core of youth being long-term unemployed. In some cases these are clearly working as youth unemployment rates have been falling, but longer term underlying conditions persist for those who are seen as a long way from the labour market (Gregg and Gardiner 2015). Labour market policy reform following on from the crisis did not lead to a radical overhaul of the essentials of policy delivery that indicate a pattern of continuity, despite a number of changes in government. On one hand there has been a radical move to simplify benefit receipt through Universal Credit, but on the other hand similar principles in policy delivery persist.

Section 4. Unemployment and other relevant income protection

Summary

Since the Coalition Government, the focus has been the reduction of the welfare expenditure. Major changes in the nature of benefits as well as their conditionalities and sanctions have implemented in order to reduce the barriers to work that the current system of benefits has been creating (DWP 2013). The share of young people living under the 60% of the median disposable income is higher than any other age group (30%) and, while the poverty rates of young children aged less than 14 years old have decreased, this is not the case for young people aged 20-24 (Born and Aldridge 2016). Recent reforms have not led to a reduction of young people in poverty relative to adults because, for those employed, the National Living Wage did not increase; and for those out of work benefits the plan to freeze unemployment allowances and tax credits will not improve the situation.⁶⁹ It will instead raise doubts about the capacity of ensuring protection against social exclusion.

Policy objectives

In the latest policy paper on the 2010-2015 Welfare Reform signed by the previous Government, it comes out clearly that the main objective is to „make work pay“ and create incentive to make people exit from benefits.⁷⁰ This is achieved via both substantial and procedural changes. For instance there has been the streamlining of means-tested benefits in order to reduce the complexity, which should reduce fraud. Regarding changes in the procedures, monthly online payments aim to get benefits claimants used to payment timings similar to those of the employed.

It is important to note that data for the whole working population show that the number of unemployed is higher than the number of people actually claiming unemployment benefits (Joseph Rowntree Foundation, 2015 – see Annex for chart). The potential number of people who are entitled to unemployment benefits but do not claim it appears to have increased in recent years suggesting that the institutional setting fails to include all the persons eligible and those who fail to enter the system might cumulate multiple disadvantages (Shildrick et al. 2012).

Latest data released in April 2016 revealed that in the quarter December 2015-February 2016 young people age 18-24 who are actively looking for a job and available to work were 499,000. However, young people aged 18-24 claiming Jobseeker’s Allowance or claiming Universal Credit were 155,400 (House of Commons 2016). While the gap between those unemployed and those claiming benefits appears to be significant, this is can be due to young people not having sufficient work history to claim unemployment benefits or not meeting the criteria for Universal Credit or Income Support (Shildrick et al. 2012) (see below for eligible criteria and see also Annex 1 Table 26).

⁶⁹ <http://www.theguardian.com/society/2016/feb/23/plans-to-freeze-benefits-for-four-years-will-hit-7-million-children>, last accessed 18th May.

⁷⁰ <https://www.gov.uk/government/publications/2010-to-2015-government-policy-welfare-reform/2010-to-2015-government-policy-welfare-reform#issue>, last accessed 16th May 2016.

Institutional framework, Policy content and Scope of the measures

There are different types of welfare benefits managed by the DWP in the UK that are relevant for young people. They can be means-tested or contribution-based.

Job-Seeker's Allowance

Job-Seeker's Allowance (JSA) is both means-tested and contributions-based, i.e. entitlement is based on the amount of days worked.⁷¹ The means-tested JSA is being replaced by Universal Credit (rolled out since 2013 and soon planned to be completed).⁷²

The maximum weekly amount that JSA claimants can receive changes according to age: between 18 and 24 they amount up to £57.90, 25 and over up to £73.10 and for couples up to £114.85.⁷³ These amounts can be modified if complemented with housing benefits, housing benefits like income benefits are means-tested. For instance, if a person has not other income than the benefits, then they will be eligible for housing benefits.

It is difficult to assess the adequacy of benefits for young people in terms of poverty protection generally, as this will depend on their individual housing arrangements, for example whether their parents or other members of their family are working or on benefits. JSA represents roughly half of the actual, average of the expenditure of single adults who live in the poorest households and half of the poverty line for single adults (JRF 2009). But as Berloff et al (2015) show young people living with in households were no one works have a much higher probability of being unemployed themselves. So we might infer from their analysis that some young people on JSA will be living in households on or below the poverty line (Shildrick et al. 2012; Garthwaite 2016).

The contribution-based JSA can be claimed by individuals aged 18 and over who are available for work and are actively seeking work, are not in full-time education and work on average less than 16 hours per week. The contribution history is calculated accounting for the previous two tax years. The JSA contributory component foresees that benefits can be paid up to 26 weeks. The means-tested component of the JSA, which is being replaced by Universal Credit, has no time limit and depends on all your sources of income or savings.

Students cannot receive JSA, unless they are parents, or they can receive it only during the summer holidays. Part-time students can claim JSA only if they commit to take a job if it is offered to them and provided that they are looking for work. Once they start receiving the benefits, a work coach at the JCP where the Claimant Commitment action plan is agreed will interview the young person about their job readiness and training requirements.

Employment and Support Allowance for ill and disabled people

Young people can also access the Employment and Support Allowance (ESA) for financial support and personalised help for those who are ill or disabled. Young people with a disability or illness can apply if they are employed, self-employed or unemployed. The receipt of this benefit is conditional on the "Work Capability Assessment" (WRAG): if the young person is

⁷¹ <https://www.gov.uk/jobseekers-allowance/eligibility>, last accessed 17th May 2016.

⁷² http://www.legislation.gov.uk/ukdsi/2013/9780111531938/pdfs/ukdsiem_9780111531938_en.pdf last accessed 17th May 2016.

⁷³ <https://www.gov.uk/jobseekers-allowance/eligibility>, last accessed 17th May 2016.

considered able to work they will have to attend regular interviews with an adviser. This has been a very controversial evaluation process where claimants have been denied entitlement

Income support

Young people aged between 18 and 19 years old can claim Income Support instead of the income-based JSA if they have left education and their parents no longer receive child allowances. Income support is a means-tested benefit paid to young person if they are a carer or if they are pregnant, if their income and savings are low and if they work less than 16 hours per week. A young person under 19 years old can also claim Income support if they are a parent or living alone, or a refugee learning English and still meeting the means-test requirements.

Universal credit (UC)

Universal Credit (UC) is available for all the population who could previously claim one of the six means-tested benefits that the UC now replaces. Compared to the previous benefits, the UC allows single young people under 25 to receive in-work benefits, who could not be paid under the Working Tax Credit (one of the former six benefits replaced by the UC). This means that a single young person under 25 who moves into work will have their benefits reduced more gradually (see below for more details) and not withdrawn as soon as they get into work.⁷⁴ The amount of benefits a person can receive under the UC will depend on their situation and on their household composition. This can cover for housing; children and childcare; disability or a health condition; and caring for somebody with a disability. The upward limit, or benefit cap, is calculated per household and takes into account other UC or any other benefits that the person can receive. The benefit cap varies from £350 to £500 per week depending on the household composition.⁷⁵ Among other criteria, UC cannot be granted to young people under 18, although some exceptions apply. If the person is in education or training, has more than £16,000 worth of savings or receives any other means-tested benefits or income they are not entitled to claim.

In March 2016, there were more than 97000 young people aged 16-24 receiving UC representing 43% of the total amount of recipients. The vast majority of young people receiving UC were not in employment (amounting to more than 60000, see Annex 1, Table 28).

Conditionality of benefits and action plans

The conditionality of benefits is rather strict in the UK. Even before the 2012 Welfare Reforms, which introduced a series of conditionality and strengthened sanctions, the UK scored the highest in the ranking of indicators of strictness of job-search criteria developed by the OCED (Venn 2012 - see Annex).

Claimant Commitment (CC)

The Claimant Commitment (CC), introduced in late 2013, is compulsory for those who claim Universal Credit. However, CC has already been implemented for claimants of JSA aged 18 or over (OECD 2014).

⁷⁴ <https://www.gov.uk/government/news/universal-credit-will-support-young-people-in-work>, last accessed 18th May 2016.

⁷⁵ <https://www.gov.uk/benefit-cap>, last accessed 18th May 2016.

CC is an action plan designed with the claimant and their work coach setting out the steps to be taken by the claimants in order to find a job. Benefits (both the Universal Credit and JSA) are conditional on signing the CC, so the jobseeker has to accept the CC as soon as they present their claim.

CC has been defined as a “record of responsibility”⁷⁶. According to the Government website⁷⁷ the negotiation between the claimant and the work coach is very limited. The CC is more an assessment that it is imposed by the advisor and accepted by the claimant under the threat of sanctions.

The CC is more detailed than the Job-Seeker’s Agreement, which was the previous version of the action plan for jobseekers receiving JSA – and it includes a clear report of the job-search activities the claimant has done (OECD 2014). The roll-out of the CC includes the training of the job-search counsellors who also changed their title to reflect the change in culture: they are now known as ‘work coaches’ rather than ‘advisors’ (OECD 2014). According to CC, “JSA claimants have to be available for full-time work (35 hours) and have to take any job that pays at least the national minimum wage (NMW) that is within 90 minutes of travel from their home” (OECD 2014).

For the first three months they can restrict their job-search to their previous occupation and salary level; however if unsuccessful, they have to extend the job-search to other fields. These restrictions have tightened since the introduction of the CC.

JSA and CC recipients are also monitored every two weeks after their first assessment; young people aged 18 to 24 are required to report weekly after 5 months of unemployment. To increase their chances of entering the labour market, work coaches can refer unemployed recipients to training providers if they consider that claimants lack some necessary training. (OECD 2014). This is called “Skills Conditionality”.

Skills conditionality

Skills Conditionality was introduced in 2011 (2012 in Scotland and Wales, see also Annex 2, box 7) and it requires benefits claimants requiring skills improvements to be referred to a training provider or college. The skills assessed are mostly basic skills such as literacy or some other sector-based skills. Once the job-seekers have been referred, they are obliged to attend training and any decision not to take part has to be supported by a valid reason. Skills conditionality applied to people claiming JSA aged 18 and over.

An evaluation of the pilot “skills conditionality” was carried out in 2011 before the national implementation (Dorsett et al. 2011). Some of key points of the evaluation showed that the pilot was not implemented as intended because advisers had different interpretations of ‘eligibility’. Further, advisers reported that one of the biggest barriers was availability of training providers who could address skill deficiencies, namely English for Speakers of Other Languages (ESOL) courses. Long waiting lists and uncertain start dates of training courses also constitute a barrier to enrolment. Because skills conditionality is compulsory, if a job-seeker does not attend training, sanctions will be imposed. Data show that young people are more likely to be sanctioned under the Skills Conditionality test (Hadijvassiliou et al 2105). Further, the sanctioning that resulted from not meeting the requirement of the skill conditionality added

⁷⁶ <https://www.gov.uk/government/publications/universal-credit-and-your-family-quick-guide/universal-credit-further-information-for-families>, last accessed 21st July 2016.

⁷⁷ <https://www.gov.uk/.../uploads/.../uc-and-your-claimant-commitment.pdf>, last accessed 18th May 2016.

to existing problems for claimants' low-income families where benefits and wage are pooled (Dorsett et al 2011).

Sanctions

Sanctions are applied to all the unemployed claiming JSA and ESA (i.e. those recipients considered able to work in spite of being ill or disabled), but also Income Support or Universal Credit. Sanctions have become stricter and harder as they can entail the reduction or the suspension of benefits between 4 weeks to 3 years. Their length and the severity is determined by accounting for the job-seeker's availability for work, their job-search activities and their misconduct.

Hardship allowances can be claimed when sanctions are imposed. Hardship allowances are meant to cover only basic needs (e.g. food, hygiene, accommodation) and they are granted as a very last resort. – This implies that recipients will be entitled to hardship allowances only if they have exhausted all possible eligibility to other benefits and they have asked informal help to family and friends.⁷⁸ During the Coalition Government, 4.81% of job seekers receiving allowances were sanctioned. This figure has double compared to 2.42% of job-seekers sanctioned during the Labour government from May 1997 to April 2010” (Daguerre and Etherington 2014). Likewise, the Joseph Rowntree Foundation warned that the escalation of sanctions has affected the under 25 the most: 8% of this group now affected per month, compared to around 5.5% of all claimants.⁷⁹

Assessment

The existing benefits cover unemployment but also lack of income of young people between 18 and 24 years old, with special provision for young people who are also carers. The Job-Seekers Allowance both in its means-tested and contributory form, the Income Support (now included in the Universal Credit) are supposed to answer to the financial distress that young people may face during difficult transitions from school-to-work. Further income benefits and housing benefits can be granted simultaneously and answer to housing issues which young people in transition to adulthood are likely to face.

While it appears that there is a complementarity of benefits able to respond to some of the crucial challenges facing young people in transitions, yet a third of young people aged 16 to 29 is at risk of poverty (see Annex 1, Table 12).

There are multiple causes responsible for this high share of young people at risk of poverty, including the general labour market and economic situation, the housing market, the local development and the institutional support available. The institutional structure of benefits and the current level of coverage cannot be considered the only cause.

However, the recent important cuts to the welfare expenditure are likely to reduce the capacity of the current welfare structure to adequately respond to the high number of young people facing the risk of poverty. In particular, the reduction of means-tested benefits, i.e. a lower the replacement rate (the ratio of out-of-work income to in-work income)⁸⁰. The IFS calculated that the non-pensioners income will decrease in 2015-2016 on average by 3.3%. Those who

⁷⁸ <https://www.citizensadvice.org.uk/benefits/universal-credit/sanctions/hardship-payment/>, last accessed 18th May 2016.

⁷⁹ <https://www.jrf.org.uk/blog/benefits-sanctions-are-adding-bleak-prospects-young-people>, last accessed 17th May 2016.

⁸⁰ <http://ec.europa.eu/social/main.jsp?catId=1047>, last accessed 25th March 2016.

are likely to be more affected are working-age households where nobody is in work (IFS 2014). Doubts have also been recently raised about the likelihood that claimants will have to lose a significant part of their benefits in the long run due to the introduction of UC, particular single parents⁸¹.

Other cuts that are likely to affect young people include the lower cap imposed to the total amount of benefits a person could claim, the cuts on young people housing benefits (Wilson 2015) and limited the increase of benefits by 1% per year regardless the increase in prices.

Further, the Welfare Reform 2012, in line with past reforms, has strengthened an individualistic approach to poverty and unemployment by promoting change through behavioural solution (Melrose 2012).

This has been done with the introduction of stronger conditionality, such as the Claimant Commitment and the Skills Conditionality. However, stronger conditionality and stricter sanctions can lead to the perverse effects of increasing the non-take up of young people who find it difficult to comply with the mainstream approach to job search (Hasenfield et al 2004). As a result, their integration in the labour market and avoiding their social exclusion can become even more challenging.

Finally, the recent decision of leaving the EU can put increasing strain on local authorities that are in charge of activating and supporting young people. The availability of ESF might be at risk in the coming year and engender local development plans (Sandford 2016)

⁸¹ <http://www.ifs.org.uk/publications/8135>, last accessed 18th May 2016.

Conclusions

Conclusions

Overall transitions from school to work in the UK are smoother than in other European countries. The time spent finding a first job is not long and, before the crisis, the level of young people who remained NEETs across years was lower compared to some other major countries in Europe. Nevertheless, despite these policy efforts, NEET rates remain relatively high and have in some cases been increasing (Maguire 2015). One of the key concerns about the questionable efficacy of these policies relates to the fragmented provision of services and impact of austerity budget on local service providers.

The UK has been successful in reaching high participation rates in higher academic education; however local disparities are present throughout the country.⁸² Levels of school drop-outs have also been declining in recent years (See Annex 1, Table 16). Supporting retention in education, particularly for the most vulnerable, and improving training and employability interventions for young people at risk of becoming NEETs have achieved this objective of raising participation levels.

Skills formation has privileged the expansion of general academic track; despite a number of reforms to the provision of Vocational Education and Training and expanding apprenticeships these have suffered from lower enrolment rates and the poor links with employers (Gemwell 2013; Keep 2012). It has largely been the over 25s who have taken up apprenticeships, with attempts to make these more popular amongst younger age groups. Policy reforms to the education and training systems were not intended to generate insecure/precarious jobs. Instead the focus has been on improving the quality of educational provision and strengthening the relationship with employers (see National Career Service for instance).

However, the flexible characteristics of the UK labour market and the rise in casual work through ‘zero hour contracts’ and unpaid internships, raise questions about the quality of entry jobs for young people in the UK. The large majority of young people gain a foothold in the labour market quite easily. In contrast with other European countries, the job precariousness of young Britons is not necessarily related to temporary employment. This is because employment protection legislation of permanent contracts gives already enough flexibility to employers, as a result, the percentage of young people of in temporary employment is low compared to the EU average. Job precariousness is instead mostly associated with low quality jobs and the increasing use of casual work.

Reforms to the national minimum wage with increased rates to the new Living Wage have not included young people, with the implicit aim of continuing to make them relatively attractive for employers in terms of wage costs. The role of trade unions in securing the transitions into the labour market, for instance by negotiating on apprenticeship provisions, is significantly less important than in other EU countries. Trade Unions have a reduced capacity of sealing agreements about the use of temporary contracts for encouraging apprenticeships.

Activation policies have been characterised by increasing forms of ‘contractualisation’ between the Public Employment Service and young claimants, as seen for example in the Claimant Commitment. By emphasising individual responsibility, stricter conditionality and harsher benefit sanctions, the objective has been to reduce benefit dependency rather than

⁸² <http://www.hefce.ac.uk/analysis/yp/POLAR/Map.of.young.participation.areas> POLAR data on higher education participation in UK based on young people who entered HE by the age of 19 during 2005/02006 and 2010/2011, last accessed 9th May 2016.

addressing issues job quality. Reforms have focused on supply side factors with the aim of allowing young people to find different yet quick paths to integrate the labour market or training schemes. Work schemes with hands-on experience, intense job-search and short periods of training, mostly focusing on basic skills (e.g. English and Maths), aim to enable young people to gain a first foothold in the labour market.

There seems to be limited attention to the rate of young people who return to benefits after a short spell in the labour market or in education (“churning effect”) in the design of policies and to the quality of employment offered to young people. For instance, no quality requirements were set for the wage incentives linked with Youth Contract (Gamwell 2013).

In the UK, the crisis has not only fostered increasing cuts in welfare, but also accelerated the change in the governance of several human services and welfare provisions. Recent changes in governance have resulted in more control at the central level in terms of accountability required from lower levels alongside an increased transfer of responsibility to Local Authorities and private actors around the provision of delivery. Financial and operational autonomy in policy delivery are larger, but so is the level of risk taken up by the local or private actors. This mechanism, for instance in the case of the Social Impact Bonds, is used in areas of under-investment due to uncertainty of results with high set up incentives for private actors to get involved without any heavy engagement – and risk – for the public purse.

A similar trend was found in education where schools are invited to become academies. This policy initiated under New Labor sought to revive failing schools. Academies had greater financial and curriculum autonomy independent of the local educational authorities. It brought in additional outside providers from the business community, and made academy schools more responsible for the risk of failure.

Budget austerity on Local Authorities and the fragmented nature of education and activation services reduced the capacity of LAs ability to systematically track young people’s trajectories. This raises issues on identifying when and where young people become NEETs on leaving school.

Service providers tasked with addressing the problem of integrating NEETs receive different incentives payments according to the difficulty of placing particular groups of young people. These measures are intended to reduce the effects of ‘creaming’ by creating payment incentives. However, the complex chain of sub-contractors can reduce the effect of the quasi-market of activation policies.

In sum, the policy fields affecting youth labour market transitions have a long trajectory stemming back to initiatives from the New Labour government of 1997 that made education a top priority. Despite several changes of government these initiatives have had a degree of continuity in the form of academy schools, attempts to increase VET through apprenticeships and a general increase in participation levels. Reforms to the governance of service delivery have increasingly moved to a centralised localism with the involvement of private providers through a quasi-market. However, severe budget austerity cuts to Local Authorities has considerably curtailed their policy making and delivery capacity. The Brexit results of June 2016 have generated considerable political and economic instability. The predictions of a further recession in 2017 are more likely to rescind any recent improvements to young people’s prospects on the UK labour market coupled with recent evidence that they have also experienced a significant fall in their wages compared to those of earlier generations.⁸³

⁸³ <http://www.resolutionfoundation.org/publications/stagnation-generation-the-case-for-renewing-the-intergenerational-contract/>

Abbreviations

Acronym	Full name
AA	Activity Agreements
AGE	Apprenticeship Grant for Employers
BIS	Department of Business, Innovation and Skills
CC	Claimant Commitment
DfE	Department of Education
DWP	Department of Work and Pensions
EFA	Education Funding Agency
EPL	Employment Protection Legislation
ESA WRAG	Employment and Support Allowance - Work Capability Assessment
ET2020	Education and Training 2020
FE	Further Education
HE	Higher Education
JCP	Job Centre Plus
JSA	Job-Seeker's Allowance
LEA	Local Educational Authorities
NEET	Not in Employment Education or Training
NLW	National Living Wage
NMW	National Minimum Wage
Ofsted	Office for Standards in Education, Children's Services and Skills
RPA	Raising Participation Age
SFA	Skills Funding Agency
STW	School to work transitions
UC	Universal Credit
UKCES	UK Commission for Employment and Skills
UTC	University Training College
VET	Vocational Education and Training
WE	Work Experience
WP	Work Programme
YC	Youth Contract
YEI	Youth Employment Initiative
YG	Youth Guarantee
YPG	Young Person Guarantee
ZHC	Zero-hour contract

References

- Adam, Duncan. 2015. United Kingdom: Working Life Country Profile. European Observatory of Working Life. Eurofound. Available at <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/national-contributions/united-kingdom/united-kingdom-working-life-country-profile>
- BIS.2013. Evaluation of the Apprenticeship Grant for Employers (AGE 16 to 24) programme. Research Paper Number 157. December 2013.
- BIS. 2015. "Participation Rates in Higher Education: Academic Years 2006/2007 – 2013/2014 (Provisional)." edited by D. f. B. I. Skills. London.
- Berloffa, G., M. Filandri, E. Matteazzi, T. Nazio, N. Negri, J. O'Reilly, P. Villa and C. Zuccotti, (2015) 'Work-poor and work-rich families: Influence on youth labour market outcomes', STYLE Working Papers, STYLE WP8.1 CROME, University of Brighton, Brighton.
<http://www.styleresearch.eu/publications/working-papers/>
- Brooks, Rachel. 2013. "The Social Construction of Young People within Education Policy: Evidence from the UK's Coalition Government." *Journal of Youth Studies* 16(3):318-33. doi: 10.1080/13676261.2012.725836.
- Born, T.B. and Aldrige, H. 2015. Poverty among young people in the UK. New Policy Institute.London.
- Brzinsky-Fay, Christian. 2007. "Lost in Transition? Labour Market Entry Sequences of School Leavers in Europe." *European Sociological Review* 23(4):409-22.
- Bussi, Margherita, Claire Dhéret, and Paolo R. Graziano. 2015. "The Youth Guarantee – A Case of Europeanisation of ALMP?" paper presented at SASE. London School of Economics - London. 5th July 2015.
- Carter, E. and Whitworth, A., 2015. Creaming and Parking in Quasi-Marketised Welfare-to-Work Schemes: Designed Out Of or Designed In to the UK Work Programme?. *Journal of social policy*, 44(02), pp.277-296.
- Cedefop, European Centre for the Development of Vocational Training. 2013. "Spotlight on VET: United Kingdom."
- CIPD. 2013. Zero-hours contracts: myth and reality. November 2013. <http://www.cipd.co.uk/hr-resources/research/zero-hours-contracts-myth-reality.aspx>
- Crawford, C, K Duckworth, A Vignoles and G Wyness. 2010. "Young People's Education and Labour Market Choices Aged 16/17 to 18/19. Department of Education." Vol.: Research Report DFE-RR182.
- Conlon, G., Ladher, R., Patrignani, P., Peycheva, V., Mcintosh, S.2015. The impact of the minimum wage on young people. Final Report to the Low Pay Commission. London Economics. January 2015.
- Council of the European Union. 2013. Council Recommendation of 22 April 2013 on establishing a Youth Guarantee.
- Crawford, Claire, Kathryn Duckworth, Anna Vignoles and Gill Wyness. 2011. "Young People's Education and Labour Market Choices Aged 16/17 to 18/19." Vol. *Research Report DFE-RR182*. London.
- Daguere, A. and Etherington, D., 2014. Welfare reform in the UK under the Conservative-led coalition government: ruptures and continuities. ESRC & Middlesex University Working Paper.
- Delebarre, J.2015. Apprenticeships Policy, England 2015. Briefing paper, Number 03052, 8 March 2016. Department for Business Innovation & Skills. 2013. *Evaluation of the Apprenticeship Grant for Employers (Age 16 to 24) Programme*Congress, Decembre 2013.
- Dorsett, R., Rolfe, H. and George, A., 2011. The Jobseeker's Allowance Skills Conditionality Pilot. Research Report, No 768. DWP.
- Duckworth, Kathryn and Ingrid Schoon. 2012. "Beating the Odds: Exploring the Impact of Social Risk on Young People's School-to-Work Transitions During Recession in the Uk." *National Institute Economic Review* 222(1):R38-R51.
- DWP. 2011. Young Person's Guarantee Official Statistics Publication Date: 9:30am Wednesday 19th January 2011
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/223199/ypg_jan2011.pdf
- DWP. 2012. Impacts and costs and benefits of the Future Jobs Fund. DWP. November 2012.
- DWP.2012b. Early impact of work experience. April 2012.
- DWP.2013. Explanatory memorandum to the Universal Credit Regulation 2013
- ETUC and TUC. 2016. Trade union contribution for quality apprenticeships in Europe. Brussels.
<https://www.etuc.org/press/trade-union-contribution-quality-apprenticeships-europe#.V5B9wFdYnuQ>

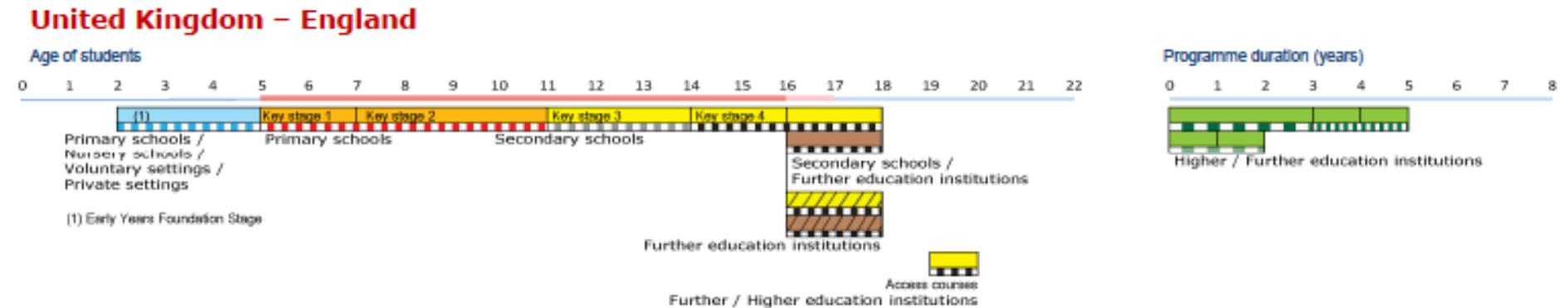
- European Commission. 2015. Education and Training Monitor 2015 - United Kingdom. Belgium. Available at http://ec.europa.eu/education/tools/docs/2015/monitor2015-uk_en.pdf.
- Eurofound. 2015. Social Inclusion of young people. Dublin.
- Furlong, Andy and Fred Cartmel. 2007. "Young People and Social Change: New Perspectives."
- Gamwell, Sophie. 2013. United Kingdom: Young people and temporary employment in Europe, European Monitoring Centre on Change, Eurofound.
- Garthwaite, K. (2016) *Hunger Pains: Life inside foodbank Britain* (Bristol: Policy Press)
- Gebel, M., 2010. Early career consequences of temporary employment in Germany and the UK. *Work, Employment & Society*, 24(4), pp.641-660.
- Gregg, P. and Gardiner, L., 2015. A steady job? The UK's record on labour market security and stability since the millennium.
- IFS. 2014. Evaluating the labour market impacts of Universal Credit: a feasibility study. DWP. London.
- Hadjivassiliou, K., A Tassinari, S. Speckesser, S. Swift and C. Bertram. CROME. 2015. "Policy Performance and Evaluation: United Kingdom." Vol. WP3.3/UK. *STYLE Working Papers*. Brighton.
- Hadjivassiliou, K., Arianna Tassinari and S. Swift. 2015. "Barriers to and Triggers for Innovation and Knowledge Transfer in the UK." Vol. *STYLE Working Paper*. University of Brighton.
- Hadjivassiliou, Kari, Emanuela Carta, Tom Higgins, Tanja Weigel, Tobias Wolfgarten, Kristina Hensen, Catherine Rickard, Suzanne Ter-Minassian, Flavia Pesce and Manuela Samek. 2012. "Study on a Comprehensive Overview on Traineeship Arrangements in Member States: Final Synthesis Report." Vol. *Social Europe*. Luxembourg.
- Hasenfeld Y., Ghose, T. and Larson K. (2004) The logic of sanctioning welfare recipients: An empirical assessment, *Social Service Review*, 78 (2), 304-319.
- HEFCE. 2015. "Higher Education in England 2015 - Key Facts." Vol. Bristol.
- Higgins, T. and Newton, B., 2012. National Report on Traineeships–The UK. *Report prepared for DG for Employment, Social Affairs and Inclusion, European Commission*, 31, p.2012.
- HM Government.2015. English Apprenticeship: Our 2020 Vision
- House of Commons. 2011.
- House of Commons Education Committee, 2015. Academies and Free Schools: Fourth Report of Session 2014–15.
- House of Commons. 2016. Youth Unemployment Statistics. Briefing Paper. Number 5871. 20 April 2016.
- House of Lords. 2014. Youth unemployment in the EU: a scarred generation?. European Union Committee. 12th Report. 1 April 2014.
- Jordan, L. and Thomas, A.2013 The Youth Contract: Findings from research with Jobcentre Plus staff in five case study districts. DWP. Research Report No 833.
- Keep, Ewart. 2015. "Governance in English Vet: On the Functioning of a Fractured 'System'." *Research in Comparative and International Education* 10(4):464-75. doi: 10.1177/1745499915612185.
- Lain, David, Kari Hadjivassiliou, Antonio Corral Alza, Iñigo Isusi, Jacqueline O'Reilly, Victoria Richards and Sue Will. 2014. "Evaluating Internships in Terms of Governance Structures: Contract, Duration and Partnership." *European Journal of Training and Development* 38(6):588-603. doi: doi:10.1108/EJTD-04-2013-0044.
- Leschke, J., Seeleib-Kaiser, M., Spreckelsen T., Hyggen, C. & Sandlie, H.C. (2016) Labour market outcomes and integration of recent youth migrants from Central-Eastern and Southern Europe in Germany, Norway and Great Britain, *STYLE Working Papers*, WP6.4. CROME, University of Brighton, Brighton. <http://www.style-research.eu/publications>
- Lindsay, C., McQuaid, R. W. and Dutton, M. (2008), Inter-agency Cooperation and New Approaches to Employability. *Social Policy & Administration*, 42: 715–732. doi: 10.1111/j.1467-9515.2008.00634.x
- Local Government Association. 2014. "Youth Transitions - Helping Every Young Person Reach Their Full Potential." Vol.
- Long, Robert and Paul Bolton. 2016. *University Technical Colleges* Congress, Number 07250.
- Machin, S. and Veroit, J., 2011. Changing School Autonomy: Academy Schools and Their Introduction to England's Education. CEE DP 123. Centre for the Economics of Education (NJI).
- Maguire, Sue, Jo Thompson, Jim Hillage, Sara Dewson, Linda Miller, Claire Johnson, Becci Newton, Peter Bates and Rosie Page (2009) 'Activity Agreement Pilots Process Evaluation' Research Report DCSF-RR095 Institute for Employment Studies <http://dera.ioe.ac.uk/10809/1/DCSF-RR095.pdf>
- Maguire, Sue. 2013. "Will Raising the Participation Age in England Solve the Neet Problem?". *Research in Post-Compulsory Education* 18(1-2):61-76. doi: 10.1080/13596748.2013.755816.
- Maguire, Sue. 2015. "Neet, Unemployed, Inactive or Unknown – Why Does It Matter?". *Educational Research* 57(2):121-32. doi: 10.1080/00131881.2015.1030850.

- McGuinness, S., A. Bergin and A. Whelan (2015) A Comparative Time Series Analysis of Overeducation in Europe: Is there a common policy approach? STYLE Working Papers, WP 5.1. CROME, University of Brighton, Brighton. <http://www.style-research.eu/publications/working-papers/>
- Melrose, M., 2012. Young people, welfare reform and social insecurity. *Youth and Policy*, 108, pp.1-19.
- Mirza-Davies, J. 2014. Youth Contract. Report provided to the Members of Parliament. pp.1-4.
- Musset, P. and S. Field. 2013. A Skills beyond School Review of England, OECD Reviews of Vocational Education and Training, OECD Publishing/OECD. <http://dx.doi.org/10.1787/9789264203594-en>
- Newton, B., Gloster, R., Miller, L. and Buzzeo, J. 2015. Evaluation of the Apprenticeship Trailblazers: interim report. BIS. March.
- Newton B, Speckesser S, Nafilyan V, Maguire S, Devins D, Bickerstaffe T . 2014. The Youth Contract for 16-17 year olds not in education, employment or training evaluation. Research Report, Department for Education. Jun 2014.
- O'Reilly, J. ed., 2003. *Regulating working-time transitions in Europe*. Edward Elgar.
- O'Reilly, Jacqueline, Werner Eichhorst, András Gábor, Kari Hadjivassiliou, David Lain, Janine Leschke, Seamus McGuinness, Lucia Mýtna Kureková, Tiziana Nazio, Renate Ortlieb, Helen Russell and Paola Villa. 2015. "Five Characteristics of Youth Unemployment in Europe." *Flexibility, Education, Migration, Family Legacies, and EU Policy* 5(1). doi: 10.1177/2158244015574962.
- O'Reilly, J., Smith, M., Deakin, S. and Burchell, B., (2015) 'Equal Pay as a Moving Target: International perspectives on the gender pay gap' Special Issue on the Gender Pay Gap, *Cambridge Journal of Economics* 39 (2): 299-317 <http://cje.oxfordjournals.org/content/39/2/299.full.pdf+html>
- OECD. 2013. "Oecd Skills Outlook 2013: First Results from the Survey of Adult Skills ". *OECD Publishing*. doi: <http://dx.doi.org/10.1787/9789264204256-en>.
- OECD (2014), *Connecting People with Jobs: Activation Policies in the United Kingdom*, OECD Publishing, Paris. DOI: <http://dx.doi.org/10.1787/9789264217188-en>
- ONS.2015. Employee contracts that do not guarantee a minimum number of hours: 2015 update. 02 September 2015. Office for National Statistics.
- Quintini, G., Martin, J.P. and Martin, S., 2007. The changing nature of the school-to-work transition process in OECD countries. WDA-HSG Discussion Paper, (2007-2).
- Quintini, G. and T. Manfredi. 2009. *Going Separate Ways? School-to-Work Transitions in the United States and Europe*, Vol. 90. Paris: OECD Publishing.
- Raffe, David. 2015. "First Count to Five: Some Principles for the Reform of Vocational Qualifications in England." *Journal of Education and Work* 28(2):147-64. doi: 10.1080/13639080.2014.1001334.
- Russell, H., Leschke J. and Smith M. (2015) Balancing Flexibility and Security in Europe: the impact on Young Peoples' Insecurity and Subjective Well-being, STYLE Working Papers, WP10.3. CROME, University of Brighton, Brighton <http://www.style-research.eu/publications/working-papers>
- Sanford, M. 2016. Brexit and local government, Research Parliament Briefing, No 07664, 20 July 2016.
- Schuller, T. and Watson, D., 2009. Learning through life. Inquiry into the future for lifelong learning. Summary. UK NIACE.
- Scherer, S., 2004. Stepping-stones or traps? The consequences of labour market entry positions on future careers in West Germany, Great Britain and Italy. *Work, Employment & Society*, 18(2), pp.369-394.
- Shildrick, T., MacDonald, R., Webster, C. and Garthwaite, K. (2012) *Poverty and insecurity: Life in low-pay, no-pay Britain* (Bristol: Policy Press)
- Taylor-Gooby, Peter. (2012) Root and branch restructuring to achieve major cuts: the social policy programme of the 2010 UK Coalition government, *Social Policy and Administration*, 46, 1, 61-82.
- Vandaele, Kurt. 2012. "Youth Representatives' Opinions on Recruiting and Representing Young Workers: A Twofold Unsatisfied Demand?". *European Journal of Industrial Relations* 18(3):203-18. doi: 10.1177/0959680112452692.
- Wilson, W.2015. Housing Benefit: withdrawing entitlement from 18-21 year olds. Research Briefing, House of Commons.
- Zimmerman, K., Aurich, O. , Graziano, P., Fuertes, V. 2015. Marketization and Activation Policies: Germany, Italy and the United Kingdom compared. Working Paper. Edinburgh Napier University. (In Press)

Annex 1

Description of the education system

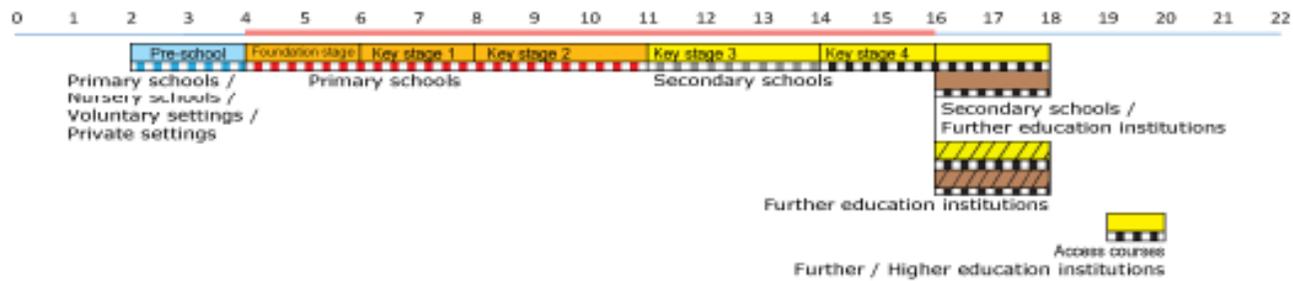
Figure 1: Education system in the UK⁸⁴



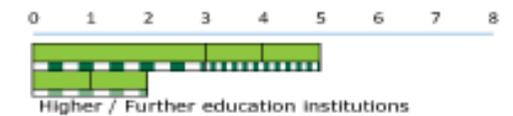
⁸⁴ Pictures taken from http://eacea.ec.europa.eu/education/eurydice/documents/facts_and_figures/education_structures_EN.pdf, The Welsh education system is not included because its structure is similar to the system in England.

United Kingdom – Northern Ireland

Age of students

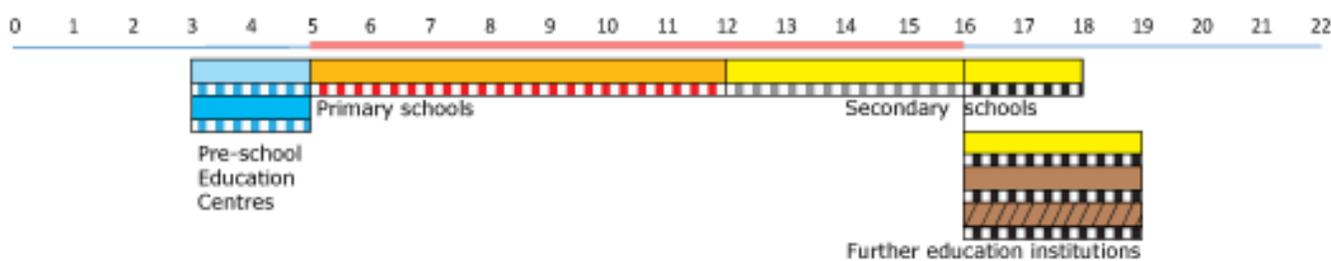


Programme duration (years)

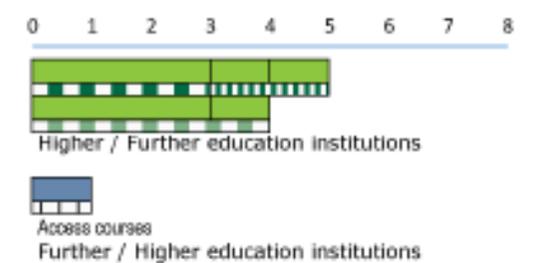


United Kingdom – Scotland

Age of students



Programme duration (years)



In England and Wales, compulsory primary school begins at the age of five and it includes 2 Key stages. At the age of 11, at the end of Key Stage 2, children enter secondary school. At the end of secondary school, at the age of 16, pupils take the General Certificate of Secondary Education (GCSE, also called Key Stage 4) exams, which are a prerequisite for entering upper secondary education.

The vast majority of young people choose to enter general upper secondary school for two years. This leads to A-level exams that are the necessary to enter tertiary education (Musset and Field 2013). All publicly funded schools are obliged to follow this system of year grouping (Hadjivassiliou et al 2015).

Schools are not in charge of running GCSE and A-level exams. Awarding bodies are in charge of designing, assessing and delivering the academic qualifications. The GCSE exams as well as A-levels are done independently for each subject: on average students take eight or nine subjects at GCSE level and three at A-level (Musset and Field 2013). Schools following the national curriculum have English, mathematics, physical education, science, citizenship and information technology as core subjects. The Grades and number of subjects obtained in the GCSE exams determine whether the young person has a Level 1 or Level 2 GCSE certificate. Young people who got their A-level can access higher academic education at the age of 18 in Universities and colleges.

Alternatively to academic upper secondary education, students can decide to pursue vocational upper secondary qualifications such as BTECs. Some also undertake apprenticeships at upper secondary level (level 3 in the English qualifications framework). However, the majority of apprenticeships are at the lower level 2 and young people start them at the age of 16 (Musset and Field 2013).

Vocational education (see Figure 2 below)

Vocational education and training can be pursued at most levels of qualification and it is offered both part and full-time, in or outside the work place (Cedefop 2013). Apprenticeships are also offered at all stages even though, as described in section 1 on Education and training, they represent a minority of students.

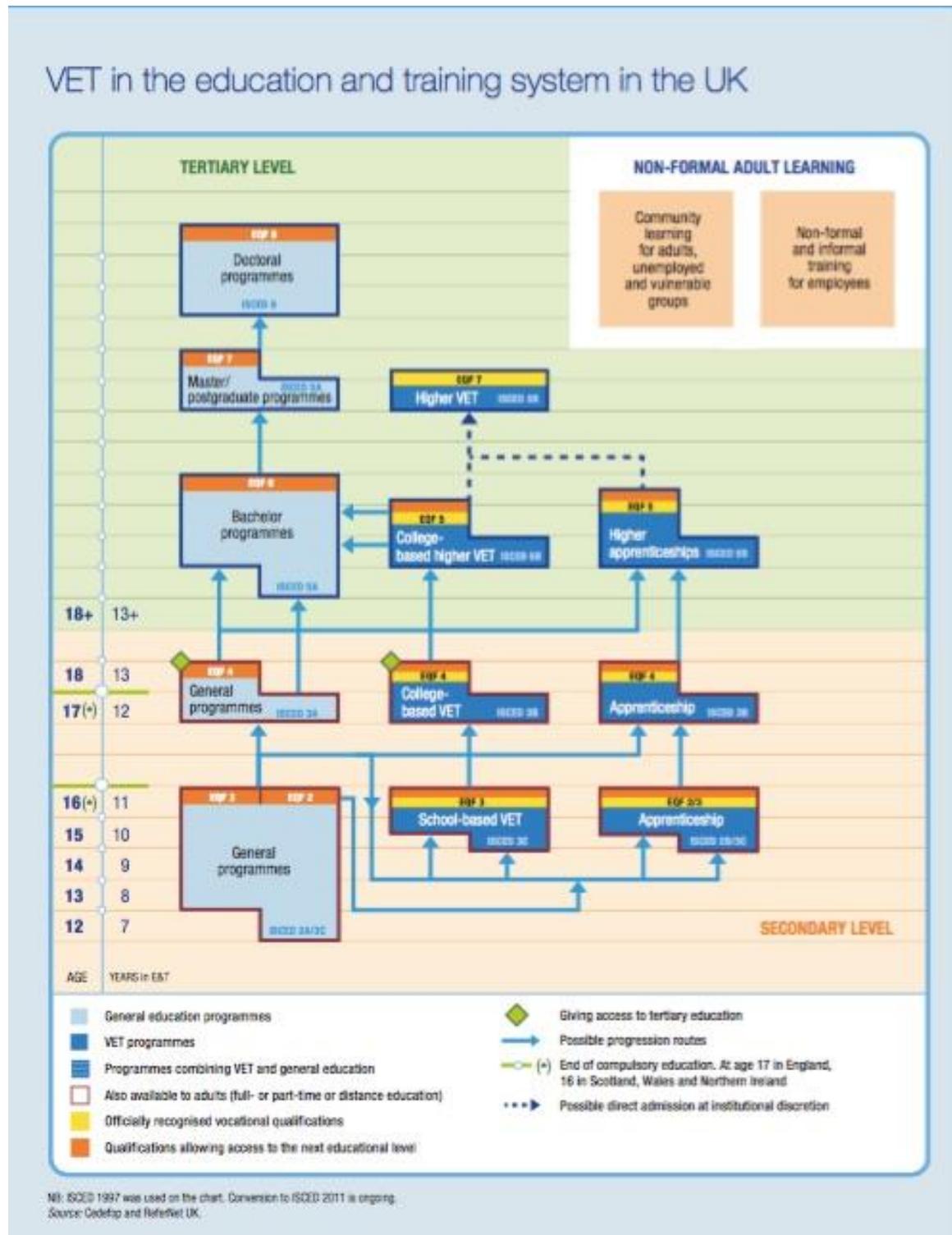
At the age of 14 young people can decide to pursue vocational education and training (school-based or apprenticeship, see Figure below) rather than completing GCSE or students can also decide to combined vocational education with GCSE. While this alternative exists, it is not widely exploited as it is considered an easier path for young people finding it difficult to complete a GCSE.

At the age of 16, student can decide the VET path instead of entering A-level (corresponding to ISCED 3a). They can choose between College-based VET and Apprenticeship, the first can give access to tertiary education (College-based higher VET or Bachelor's Degree). The latter are sometimes considered as lower than upper secondary education. The range of programmes and qualifications is very large.

The higher level of VET, equivalent to a Master's Degree (ISCED 5a), can be accessed by young people with a Vocational education qualification only at institutional discretion. In terms of enrolment higher level of VET is dominated by foundation degrees, higher national diplomas and certificates, but also higher apprenticeships (Musset and Field 2013).

An important feature of the VET system in the England is that the right to progress to one stage to another is not automatic from one stage to another (Musset and Field 2013) and this is depend on the awarding procedure and on the institutional discretion.

Figure 2: UK VET and education system



Source: CEDEFOP 2013.

General situation of young people (labour market, poverty)

Table 1 Employment, total, 15-24, absolute numbers ('000), rates and changes

EDU/TIME	2008	2011	2014	Change in pp and absolute numbers 08-11	Change in pp and in absolute numbers 11-14
ED0-2	41.9	34.2	33.4	-7.7	-0.8
ED0-2 '000	823.3	587.7	487.2	-235.6	-100.5
ED3_4	61.2	52.9	54.2	-8.3	1.3
ED3_4 '000	2,452.7	2,201.8	2,292.6	-250.9	90.8
ED5-8	77.9	69.8	74.1	-8.1	4.3
ED5-8 '000	729.2	761.2	903.0	32.0	141.8
TOTAL	52.0	45.8	48.1	-6.2	2.3
TOTAL '000	4,032.4	3,595.7	3,736.1	-436.7	140.4

Source: Eurostat LFS

Young people aged between 15 and 24 years old experienced a marked reduction between 2008 and 2011 with a fall of 6.2pp (436700 young people). In absolute terms, the fall in employment rate was mostly driven by young people with lower and middle educational attainment as they represent more than 80% of the young people employed. (Calculations include young people with no information on their educational attainment).

Since 2011, the three educational groups (0-2; 3-4; 5-8) experienced a rise in the number of young people employed, with the highest increase among the middle-skilled. The positive trend is less marked for low-skilled young people (1.3pp increase between 2011 and 2014).

Table 2 Employment, total, 25-29, absolute numbers ('000), rates and changes

EDU/TIME	2008	2011	2014	change in pp and absolute numbers 08-11	change in pp and in absolute numbers 11-14
ED0-2	58.1	54.1	56.0	-4.0	1.9
ED0-2 '000	435.5	402.9	377.3	-32.6	-25.6
ED3_4	80.1	77.7	78.7	-2.4	1.0
ED3_4 '000	1,445.9	1,303.0	1,361.3	-142.9	58.3
ED5-8	89.6	85.6	87.4	-4.0	1.8
ED5-8 '000	1,389.3	1,517.8	1,649.3	128.5	131.5
TOTAL	79.6	76.9	78.9	-2.7	2.0
TOTAL '000	3,296.8	3,272.1	3,436.5	-24.7	164.4

Source: Eurostat LFS

For young people aged 25-29, the share of higher educated (ED 5-8) is significantly higher as they represent 48% of young people employed; while young people with lower educational attainment represent only 11% of the young employed. The share of young people aged 25-29 decreased by 4pp for both high and low-skilled between 2008 and 2011 but registered a timid upwards trend between 2011 and 2014.

Gender dimension of employment (data not shown)

Young males of both age ranges (15-24; 25-29) suffered the most from the loss of jobs. Between 2008 and 2011 the employment rate of young men aged 15-24 fell from 53.3% to 46.3 %; while the reduction for the older group was smaller (3.3pp). For young women, the shrink in employment rate was slightly more modest with 5.4pp reduction for the youngest group and 2.2pp for the oldest group. The trends for the second phase of the crisis are positive for all groups and across gender (around 2pp with older women with a slower recovery). However, the increase in the total employment rate is mostly due to the catching up of the most educated groups (ISCED 5-8) as in absolute terms, young with lower qualifications both young women and men are still experiencing employment reduction.

Table 3 Newly employed, young people 15-24 and adults, as a share of the total employed person

From 15 to 24 years	25 years or over	From 15 to 24 years	25 years or over	From 15 to 24 years	25 years or over
2008		2011		2014	
46.9	13.6	42.2	11.4	45.0	12.7

Source: Eurostat LFS

Among young people employed, almost 50% has been in the job for 12 months or less, compared to much lower shares for the adult population. These high share are not only attributable to a higher share of temporary/seasonal contracts among young people (see below) but also to the specific transition period of this age range. For both young people and adults, the share of newly employed has been going down between 2008 and 2011 while increasing between 2011 and 2014 although not reaching the pre-crisis level.

Table 4 Temporary employees by sex and age

SEX	T	M	F	T	M	F	T	M	F
AGE/TIME	2008	2008	2008	2011	2011	2011	2014	2014	2014
15-24	12.0	11.7	12.4	13.6	13.7	13.4	15.2	15.2	15.2
25-64	4.1	3.4	4.8	4.8	4.4	5.2	4.8	4.3	5.4

Source: Eurostat LFS

The share of young people (15-24) in temporary employment is higher than for adults; however this is one of the lowest in Europe together with Central-Eastern European countries. It is interesting to note that for both age groups young people the share of temporary work has been rising since the onset of the crisis, suggesting that temporary contracts are still used by employers to reduce the margin of economic uncertainty. The rise of casual contract (namely “zero-hour-contracts” - ZHC) was significant during the crisis and has remained stable between

2014 and 2015 (ONS 2015). Interestingly, zero-hour contracts are used by big companies hiring 250 or more employees (nearly 50%) and most of the business are in the Accommodation and Food sector. Individuals in full-time education are more likely to have a ZHC and 34% of those who are in ZHC are young aged 15-24 years old (ONS 2015).

Table 5 Main reasons for being in temporary employment, young people 15-24

	2008	2011	2014
Could not find permanent job	33.6	47.2	39.8
Did not want a permanent job	46.5	38.5	36.6
In education or training	11.3	8.2	19.6
Probationary period	8.5	6.1	3.9

Source: Eurostat LFS

The main reasons for choosing a temporary contract have been changing as well. The increase of temporary contract between 2008 and 2014 is not supported by stronger preference for more flexible employment among young people. In 2008 a large share of young people did not want a permanent job (46.5%); while in 2011 and 2014 this share has been significantly shrinking.

In a reverse trend, the share of those who could not find a permanent job increased in 2011. Since then it has declined, but it remains higher than those who are not looking for a permanent job. It is also important to note that young people who are working on a temporary contract and are in education or training has sensibly increased. This can be due to several causes: young people are more in need of getting to work and/or an increase of participation in education.

Table 6 Unemployment by age, absolute numbers – ‘000s

	2008	2011	2014	change 2008-2011	change 2011-2014
15-24	712.7	972.5	762.0	259.8	-210.5
25-29	198.7	319.8	256.0	121.1	-63.8

Absolute numbers show that both age groups experienced an increase in unemployment between 2008 and 2011 with the youngest group being the hardest hit (6.3pp increase, see table below). Youth unemployment went down in the second phase of the crisis and more rapidly for the youngest group in absolute terms. 145200 additional young males become unemployed between 2008 and 2011 and slightly less for young females (114500). The oldest group has lower losses of jobs in absolute terms (62000 and 59000 respectively for men and women).

Table 7 Unemployment rates by age and educational attainment level 15-24

	2008	2011	2014	change in pp 2011-2008	change in pp 2014-2011
Total	15.0	21.3	16.9	6.3	-4.4
ED0-2	28.1	36.4	32.4	8.3	-4.0
ED3_4	11.3	19.1	15.4	7.8	-3.7
ED5-8	9.1	12.2	9.8	3.1	-2.4

Source: Eurostat LFS

Table 8 Unemployment rates by age and educational attainment level 25-29

	2008	2011	2014	Change in pp 2011-2008	Change in pp 2014-2011
Total	5.7	8.9	6.9	3.2	-2.0
ED0-2	12.6	20.2	17.1	7.6	-3.1
ED3_4	6.1	9.0	7.3	2.9	-1.7
ED5-8	2.7	5.2	3.8	2.5	-1.4

Source: Eurostat LFS

These proportions show that for both age groups young people with lower education were hit harder by unemployment and that the recovery in the second half of the crisis is slightly faster for the higher educated. Already during the crisis the gap between those who have a higher education degree and those with primary, lower secondary or no qualification was significant particularly among young people aged 15 to 24 years old.

It is also important to highlight that the active population of 15-24 with a low education has been substantially shrinking while the active population with a tertiary degree has been significantly increasing. This suggests that young people might have gone back to school during the crisis and became inactive.

Table 9 Activity rates '000s – by educational attainment – 15-24

	2008	2011	2014	change in absolute numbers 2008-2011	change in absolute numbers 2011-2014
total	4'745.1	4'568.2	4'498.1	-176.9	-70.1
Less than primary	1'145.3	923.6	720.7	-221.7	-202.9
Upper secondary	2'764.3	2'721.9	2'710.0	-42.4	-11.9
Tertiary	802.5	867.0	1'000.9	64.5	133.9

Source: Eurostat LFS

Table 10 Long-term unemployment (12 months or more) as a percentage of the total unemployment, by sex, age and nationality

Country of origin/TIME	2008	2011	2014
Foreigners	10.7	18.0	19.1
reporting country	16.4	25.0	28.6
Total	16.0	24.5	27.9

Source: Eurostat LFS

	2008	2011	2014	change 2008-2011	201-2014
Total 15-24	16.0	24.5	27.9	8.5	3.4
Males 15-24	23.3	32.2	38.1	8.9	5.9
Female 15-24	19.2	27.6	32.1	8.4	4.5

Source: Eurostat LFS

There has been an increase in long-term unemployment 3 years after the beginning of the crisis. The share of young unemployed is still increasing but at a lower pace probably indicating that unemployment is slowing down but those who remain unemployed find it difficult to go back to the labour market before 12 months.

Young females and males have similar rates and trends. Interestingly, young people coming from a foreign country have lower rates of long-term unemployment compared to natives.

Table 11 NEETS – 15-24 by sex and age

	TIME	2008	2011	2014	Change in pp 2008-2011	Change in pp 2011-2014
From 15 to 24 years	Total	12.1	14.2	11.9	2.1	-2.3
From 15 to 24 years	Males	10.1	13.1	10.7	3.0	-2.4
From 15 to 24 years	Females	14.1	15.4	13.1	1.3	-2.3
From 25 to 29 years	Total	15.0	17.6	16.2	2.6	-1.4
From 25 to 29 years	Males	9.1	11.8	10.2	2.7	-1.6
From 25 to 29 years	Females	20.9	23.3	22.2	2.4	-1.1

Source: Eurostat – Education and Training

The share of NEETs has increased across gender and age between 2008 and 2011 and has decreased in the second phase of the crisis. The share of NEETs has increased mostly due to an increase in the number of young people unemployed. The gender dimension of NEETs is striking particularly in the older age cohort.

Table 12 Young people's at-risk-of-poverty or exclusion rate by sex, age and living/not living with parents

	Living w/ parents	Living w/ parents	Living w/ parents	Not living w/ parents	Not living w/ parents	Not living w/ parents
	2008	2011	2013	2008	2011	2013
16-24	21.6	22.8	27.9	42.6	47.8	45.1
16-29	20.2	21.7	27.5	29.8	32.6	31.0

Source: Eurostat LFS

The risk of poverty is much higher when young people aged 16-24 do not live with their parents; however, the risk of poverty of living with or not living with parents is less marked when a broader age range is considered. The risk of poverty has increased with the crisis and more markedly for those who live with their parents. This could be due to an increased incidence of joblessness in the households.

Education

Table 13 Expenditure in education by source of financing – 2012

UK has the highest share of financing coming from private sources for tertiary education 1% of GDP. Overall the expenditure in education for all levels as a share of GDP is 6.3 which is the second highest in Europe, just preceded by Norway.

	notes	Primary, secondary and post-secondary non-tertiary			Tertiary			Primary to tertiary (including undistributed programmes)		
		Public ¹	Private ₂	Total	Public ¹	Private ₂	Total	Public ¹	Private ₂	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Austria		3.1	0.0	3.1	1.7	0.0	1.7	4.9	0.0	4.9
Belgium		4.3	0.0	4.3	1.4	0.0	1.4	5.9	0.0	5.9
Czech Republic		2.6	0.2	2.8	1.2	0.2	1.4	4.0	0.4	4.4
Denmark		4.7	0.0	4.7	m	m	m	m	m	m
Estonia		3.2	0.0	3.2	1.4	0.2	1.6	4.7	0.1	4.9
Finland		3.9	0.0	3.9	1.8	0.1	1.8	5.7	0.1	5.8
France		3.6	0.2	3.8	1.3	0.2	1.4	4.9	0.4	5.3
Germany		2.9	0.2	3.1	1.2	0.0	1.2	4.3	0.1	4.4
Greece		m	m	m	m	m	m	m	m	m
Hungary		2.6	0.1	2.6	0.8	0.4	1.2	3.6	0.5	4.1
Ireland		4.2	0.2	4.4	1.0	0.2	1.3	5.2	0.4	5.6
Italy	6	2.9	0.1	3.0	0.8	0.1	0.9	3.7	0.2	3.9
Luxembourg		3.3	0.0	3.3	0.4	0.0	0.4	3.7	0.0	3.7
Netherlands		3.5	0.3	3.8	1.4	0.3	1.7	4.9	0.6	5.5
Norway	4	4.6	0.0	4.6	1.6	0.0	1.6	6.5	0.0	6.5
Poland		3.2	0.2	3.4	1.2	0.1	1.3	4.4	0.4	4.8
Portugal	4	3.9	0.5	4.5	0.9	0.4	1.3	5.0	0.9	5.9
Slovak Republic	4	2.5	0.2	2.7	1.0	0.1	1.0	3.5	0.3	3.8
Slovenia		3.5	0.2	3.7	1.2	0.0	1.2	4.7	0.2	4.9
Spain		2.8	0.3	3.1	1.0	0.2	1.2	3.8	0.5	4.3
Sweden		3.7	0.0	3.7	1.5	0.2	1.7	5.2	0.2	5.4
Switzerland		3.5	0.0	3.5	1.2	0.0	1.2	4.9	0.0	4.9
United Kingdom		4.0	0.5	4.5	1.2	0.6	1.8	5.2	1.0	6.3
OECD average		3.5	0.2	3.7	1.2	0.4	1.5	4.7	0.7	5.3
EU21 average		3.4	0.2	3.6	1.2	0.2	1.4	4.6	0.3	4.9

Source: OECD 2015.

Table 14 Government expenditure on education as % of gross domestic product (GDP), by level of government

SECTOR	GEO/TIME	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	EU28	:	5.0	4.9	5.0	5.3	5.3	5.1	5.0	5.0	4.9
General government	UK	5.8	6.0	5.9	6.1	6.6	6.6	6.0	5.7	5.3	5.2
Local government	EU28	:	2.1	2.0	2.1	2.1	2.1	2.1	2.0	2.0	2.0
Local government	UK	3.9	4.1	4.0	4.2	4.4	4.4	4.0	3.6	3.3	3.1

Source: COFOG, Eurostat 2016.

Table 15 Government expenditure on education as % of the total expenditure, by level of government

SECTOR	GEO/TIME	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	EU28	:	11.0	10.9	10.7	10.5	10.5	10.5	10.3	10.2	10.2
General government	UK	13.5	13.9	13.8	13.2	13.3	13.5	12.8	12.3	11.8	11.8
Local government	EU28	:	18.7	18.5	18.1	17.5	18.0	17.7	17.4	17.3	17.2
Local government	UK	31.3	33.2	32.6	32.1	32.1	32.9	31.5	27.7	28.6	27.8

Source: COFOG, Eurostat 2016.

Table 16 Early leavers for education and training, by sex and labour market status

	2008	2011	2014
Total - employed	8.9	6.7	5.7
Males employed	11.7	8.6	7.2
Females employed	6.2	4.9	4.2
Total not employed	8.0	8.2	6.1
Males not employed	6.6	7.5	5.7
Females not employed	9.4	8.9	6.6
UK - population	16.9	14.9	11.8

Source: Eurostat, Education and Training 2015.

In the UK, young people who left training and education with at most lower secondary education were slightly more likely to be employed rather than unemployed in 2008. However their level of unemployment is considerably high (around 45%). Since 2011, the share of young early leavers who are employed has been decreasing as well as the share of those who are unemployed. Overall, the share of early leavers is shrinking and slowly reaching the benchmark of 10% set at European level (Education and Training 2020). Young women who are early leavers are more likely than their male counterparts of being unemployed.

Table 17 Participation in Vocational education and General education - NUTS

	Lower secondary education - general	Lower secondary education - vocational	Upper secondary education - general	Upper secondary education - vocational	Short-cycle tertiary education - vocational/professional
Scotland	82.9	17.1	92.0	8.0	100.0
Wales	90.5	9.5	74.3	25.7	100.0
London	82.4	17.6	61.4	38.6	100.0
Northern Ireland (UK)	89.6	10.4	61.2	38.8	100.0
South East (UK)	93.0	7.0	61.0	39.0	100.0
East of England	91.8	8.2	59.9	40.1	100.0
United Kingdom	88.2	11.8	56.2	43.8	100.0
South West (UK)	92.2	7.8	55.2	44.8	100.0
East Midlands (UK)	88.8	11.2	54.5	45.5	100.0
West Midlands (UK)	86.0	14.0	53.2	46.8	100.0
Yorkshire and The Humber	88.4	11.6	51.2	48.8	100.0
North West (UK)	88.3	11.7	50.3	49.7	100.0
North East (UK)	88.3	11.7	46.3	53.7	100.0

Source: Eurostat, Education and Training 2015.

In the UK, the share of young people enrolled in general lower secondary education is as high as 88.2%, while the proportions are more balanced at the upper level where 56.2% of young people are enrolled on the general track.

Table 18 Participation rate in education and training (last 12 months) by average literacy proficiency (PIAAC scale)

	25th percentile	Mean	75th percentile	Participation rate in adult education and training
Italy	221.85	250.48	282.14	24.34

Slovak Republic	250.17	273.85	301.35	33.08
Poland	236.84	266.90	299.91	35.29
Cyprus ^{1 2}	243.57	268.84	296.06	37.59
Spain	221.71	251.79	286.08	46.78
Flanders (Belgium)	246.39	275.48	308.93	48.25
Austria	242.00	269.45	299.99	48.92
Czech Republic	248.59	274.01	302.03	49.04
Ireland	239.23	266.54	298.30	50.74
Estonia	248.36	275.88	305.97	53.00
Germany	238.74	269.81	303.80	53.72
England/N. Ireland (UK)	241.21	272.46	307.12	55.53
Netherlands	255.61	284.01	317.18	64.53
Norway	251.15	278.43	310.70	64.80
Sweden	251.26	279.23	313.41	65.44
Finland	258.32	287.55	322.12	66.02
Denmark	243.82	270.79	303.40	66.78

Source: OECD 2013.

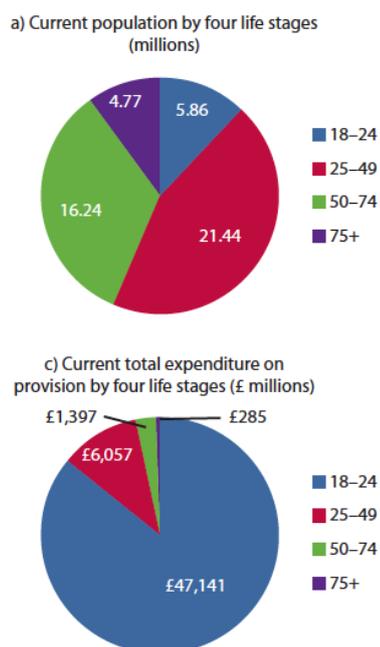
England and Northern Ireland, which took part in the OECD-PIAAC assessment, have quite high share of adults who took part in adult education and training in the last year. However, this is not directly linked with a high performance in the PIAAC results which are poorer compared to other OECD countries with similar or lower level of adults taking part in adult education and training.

Table 19 Participation rate in education and training (last 4 weeks) by sex and age

SEX	Total	Total	Males	Males	Females	Females
TIME/GEO	European Union (28 countries)	United Kingdom	European Union (28 countries)	United Kingdom	European Union (28 countries)	United Kingdom
2006	:	27.4	:	22.7	:	32.2
2007	9.2	20.5	8.3	17.1	10.1	23.9
2008	9.4	20.5	8.5	17.1	10.3	23.9
2009	9.3	20.7	8.4	17.2	10.3	24.1
2010	9.3	20.1	8.4	16.9	10.2	23.3
2011	9.1	16.3	8.3	14.4	9.8	18.2
2012	9.2	16.3	8.5	14.6	9.9	18.0
2013	10.7	16.6	9.7	15.0	11.6	18.3
2014	10.8	16.3	9.9	14.6	11.8	18.0
2015	10.7	15.7	9.7	13.9	11.7	17.5

Source: Eurostat 2016.

Table 20 Current population and current expenditure on lifelong learning



Source: Learning for life (2009)

Table 21 Reason for not taking part in adult education

	Participated in formal and/or non-formal education		Learning Activities - Wanted but didn't start		Participant, wanting learning activities		Non-participant, wanting learning activities		Participant, not wanting learning activities		Non-participant, not wanting learning activities	
	%	S.E.	%	S.E.	%	S.E.	%	S.E.	%	S.E.	%	S.E.
	(1) = (5) + (9)	(2)	(3) = (5) + (7)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
OECD												
National entities												
Austria	48	(0.7)	20	(0.6)	13	(0.5)	7	(0.4)	35	(0.7)	45	(0.7)
Canada	58	(0.6)	31	(0.5)	24	(0.5)	8	(0.3)	35	(0.5)	34	(0.5)
Czech Republic	50	(1.2)	16	(0.9)	12	(0.6)	4	(0.6)	37	(1.1)	46	(1.3)
Denmark	66	(0.6)	34	(0.7)	26	(0.7)	8	(0.4)	40	(0.7)	26	(0.6)
Estonia	53	(0.7)	32	(0.6)	22	(0.5)	10	(0.5)	30	(0.7)	38	(0.6)
Finland	66	(0.7)	31	(0.8)	25	(0.7)	6	(0.4)	41	(0.7)	28	(0.7)
France	36	(0.6)	19	(0.5)	11	(0.4)	8	(0.3)	25	(0.5)	56	(0.7)
Germany	53	(1.0)	29	(0.8)	22	(0.7)	7	(0.5)	31	(0.9)	40	(1.1)

Ireland	51	(0.7)	31	(0.8)	19	(0.6)	12	(0.5)	32	(0.7)	38	(0.8)
Italy	25	(1.0)	16	(0.9)	8	(0.6)	8	(0.6)	17	(0.7)	67	(1.1)
Netherlands	64	(0.6)	23	(0.6)	18	(0.5)	5	(0.4)	46	(0.7)	31	(0.6)
Norway	64	(0.7)	26	(0.8)	20	(0.6)	6	(0.4)	44	(0.8)	30	(0.7)
Poland	35	(0.8)	12	(0.5)	9	(0.5)	3	(0.3)	27	(0.7)	61	(0.8)
Slovak Republic	33	(0.8)	10	(0.5)	7	(0.4)	3	(0.2)	26	(0.8)	64	(0.8)
Spain	47	(0.7)	31	(0.6)	20	(0.6)	11	(0.5)	27	(0.6)	42	(0.6)
Sweden	66	(0.8)	33	(0.8)	25	(0.7)	8	(0.5)	41	(0.9)	26	(0.7)
Sub-National entities												
Flanders (Belgium)	49	(0.8)	18	(0.6)	13	(0.5)	5	(0.4)	36	(0.7)	46	(0.8)
England (UK)	56	(0.9)	25	(0.9)	18	(0.8)	7	(0.4)	38	(0.8)	37	(0.9)
Northern Ireland (UK)	49	(0.9)	18	(0.8)	13	(0.6)	5	(0.4)	36	(1.0)	46	(0.9)
England/N. Ireland (UK)	56	(0.9)	25	(0.9)	18	(0.7)	7	(0.4)	38	(0.8)	37	(0.9)

Source: OECD 2013

Table 22 Employment rates of young people not in education and training by educational attainment level and years since completion of highest level of education, 15-34

DURATION	From 1 to 3 years	From 1 to 3 years	From 1 to 3 years	3 years or less	3 years or less	3 years or less	Over 3 years	Over 3 years	Over 3 years
ISCED11/TIME	2008	2011	2014	2008	2011	2014	2008	2011	2014
All ISCED 2011 levels	77.6	73.3	77.3	77.1	72.8	75.8	81.2	79.4	78.3
Less than primary, primary, secondary and post-secondary non-tertiary education (levels 0-4)	71.7	65.2	69.5	71.6	64.8	69.0	77.4	74.0	71.9
Less than primary, primary and lower secondary education (levels 0-2)	46.9	41.1	45.2	46.1	40.2	45.4	69.8	62.0	58.3
Upper secondary, post-secondary non-tertiary and tertiary education (levels 3-8)	81.3	76.4	80.5	80.7	76.0	78.6	84.0	83.6	85.4
Upper secondary and post-secondary non-tertiary education (levels 3 and 4)	76.9	69.5	74.5	76.9	69.3	73.7	80.1	79.0	80.2
Upper secondary and post-secondary non-tertiary education (levels 3 and 4) - general	:	:	70.4	:	:	68.2	:	:	82.0
Upper secondary and post-secondary non-tertiary education (levels 3 and 4) - vocational	:	:	76.5	:	:	76.3	:	:	78.3
Tertiary education (levels 5-8)	87.2	84.7	86.0	85.5	83.8	82.9	90.8	90.5	92.5

Source: Education and Training 2016

Employment rates clearly differ across level of educational attainment but also depending on the time since graduation. For all categories, in 2011, the level of employment has decreased.

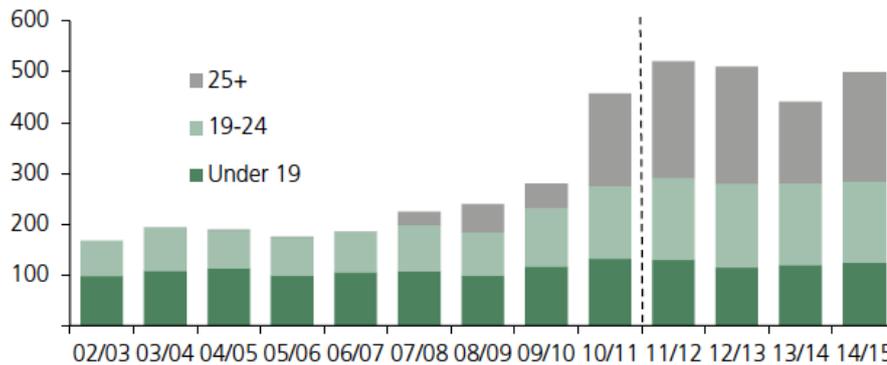
Table 23 Average time between leaving formal education and starting the first job by educational attainment level for persons who left within the last 3 or 5 years - (months) – 15-34 years old

DURATION/ISCED97	All ISCED 1997 levels	Pre-primary, primary, secondary and post-secondary non-tertiary education (levels 0-4)	Pre-primary, primary and lower secondary education (levels 0-2)	Upper secondary, post-secondary non-tertiary, first and second stage of tertiary education (levels 3-6)	Upper secondary and post-secondary non-tertiary education (levels 3 and 4)	First and second stage of tertiary education (levels 5 and 6)
3 years or less	2.9	3.2	4.9	2.6	2.7	2.6
5 years or less	3.5	3.9	6.4	3.1	3.2	3.0

Source: Education and Training 2016

Time before finding a job is very short compared to other European countries and the differences across levels of education are significant and become even more marked when a longer spell of time since graduation is spent without working.

Table 24 Apprenticeship starts in England by age since 2002/2003, thousands



Notes
Academic years (August 1st to July 31st)
Numbers are rounded to the nearest thousand.

Source: BIS FE data library: apprenticeships

Source: Delebarre 2015

Data from BIS show that since 2011 the share of young people starting an apprenticeship has sensibly increased. However, the most numerous group is the oldest one representing young people aged 25 years old or more.

Labour market regulation and wage setting

Table 25 Strictness of job-search monitoring

Figure 4. **Strictness of job-search monitoring**

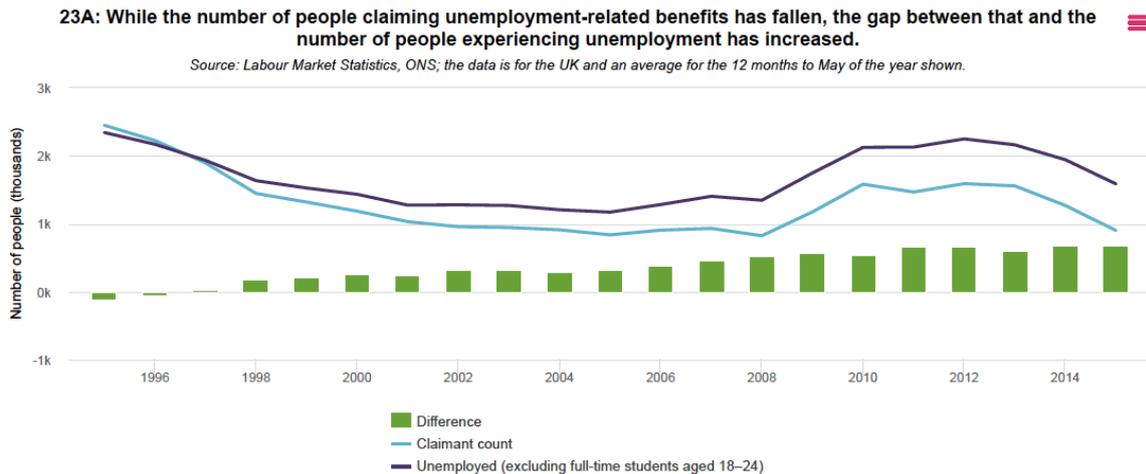
Scored from 1 (least strict) to 5 (most strict)



Source: Venn 2012.

The UK has one of the strictest job-search conditionality linked to unemployment benefits. This index does not take into account the recent changes which have made the guidance at the JCP even more close. Moreover, some programme such as “Help to Work” which targets long-term unemployed obliges unemployed to spend the whole week at the JCP to do coached job-search⁸⁵.

Table 26 Number of people claiming unemployment –related benefits and those experiencing unemployment



Source: JRF 2015.

The share of people experiencing unemployment has going up, however the gap between those actually receiving unemployment benefits and those in unemployment is widening, suggesting that there is an increasing number of people who are not supported and most probably do not benefit from any job-search assistance. Still widely unexplored, the problem of non take up might become stronger when stricter sanctions and stronger conditionality is applied.

⁸⁵ <https://www.gov.uk/government/news/help-to-work-nationwide-drive-to-help-the-long-term-unemployed-into-work>.

Active Labour Market Policies

Table 27 Expenditure on LPM as a share of GDP

LMP_TYPE	GEO/TIME	2008	2011	2014
Total LMP (categories 1-9)	European Union (28 countries)	1.55	1.82	:
Total LMP (categories 1-9)	United Kingdom	0.52	:	:
Total LMP measures (categories 2-7)	European Union (28 countries)	0.44	0.45	:
Total LMP measures (categories 2-7)	United Kingdom	0.04	:	:
Total LMP supports (categories 8-9)	European Union (28 countries)	0.91	1.16	:
Total LMP supports (categories 8-9)	United Kingdom	0.19	:	:

Source: Eurostat, Labour Market Expenditure

Recent data on labour market expenditure are not available for the UK. Data for 2008, which refer to the period before the crisis and the ad-hoc investments active labour market policies and benefits, show that the UK spends very little of its GDP on ALMPs (categories 2-7) as well as on benefits (categories 8-9) compared to the EU28 average. On average and for all categories, the UK spend 3 times less than the EU28 average.

Table 28 Universal Credit Recipients by employment status and age

Age (bands and single year)		16-24			25-49			50 plus			Total		
		Not in employment	In employment	Total	Not in employment	In employment	Total	Not in employment	In employment	Total	Not in employment	In employment	Total
Month	Employment indicator												
		April 2015	15169	8336	23505	14908	7364	22270	2973	1353	4326	33053	17053
	May 2015	18085	9918	28007	18648	9695	28340	3669	1723	5397	40406	21335	61735
	June 2015	19774	11436	31212	20497	11985	32486	4035	2131	6165	44308	25555	69862
	July 2015	25646	13269	38915	24853	14502	39359	4760	2619	7373	55265	30393	85652
	August 2015	32457	16403	48860	30037	17640	47677	5645	3282	8930	68136	37328	105464
	September 2015	35902	19127	55030	32926	19943	52872	6250	3843	10097	75088	42916	118001
	October 2015	39352	22560	61907	36436	22740	59177	7057	4350	11407	82847	49648	132496
	November 2015	41283	25307	66591	41179	25157	66335	8269	4852	13123	90730	55319	146045
	December 2015	41562	31518	73079	45236	30405	75640	9558	5826	15383	96357	67750	164104
	January 2016	45544	33175	78715	51725	33040	84764	11359	6530	17888	108624	72745	181371
	February 2016	54418	34480	88898	60193	35726	95923	13199	7256	20456	127814	77464	205281
	March 2016 (r)	61206	36366	97572	67924	38448	106372	14934	7996	22926	144058	82818	226871
	April 2016 (p)	63100	41695	104792	71234	45972	117202	15962	9841	25803	150299	97504	247801

Source: DPW, Stat-Xplore, 2016

Table 29 Youth Contract for 16- to 17- year-olds (ORIGINAL COHORT): Delivery data for September 2012 to September 2015

Youth Contract areas/ lots	Numbers of young people enrolled on the programme	Numbers of young people re-engaged into a positive outcome	Numbers of young people sustained (retained in the positive outcome for 5 out of 6 months)
	Actuals (to March 2015)	Actuals (to September 2015)	Actuals (to September 2015)
East of England	3'727	2'668	1'853
East Midlands	2151	1415	997
London North*	2'256	1'576	1'147
London South*	1'717	1'200	842
North East	2'387	1'770	1'124
Manchester & Cheshire	2244	1435	841
Merseyside, Lancashire and Cumbria	1'860	1'243	810
South East (a)	2'771	1'898	1'061
South East (b)	1'674	1'033	681
South West	2008	1096	525
West Midlands	3'756	2'342	1'502
Yorkshire and the Humber	3'424	2'352	1'530
Total	29'975	20'028	12'913

Source: EFA 2015

The Table above shows the figures number of young people⁸⁶ who have been taken part in the Youth Contract programme, an ad-hoc active labour market programme started to counteract the rise of youth unemployment in 2012. Figures relate to delivery to the end of March 2015 (for enrolments) and to the end of September 2015 (for Re-engagement and Sustained outcomes). The Table also reports the share of participants who reengaged into a positive outcome⁸⁷ and those who experienced a sustained outcome⁸⁸.

The results for the Youth contract targeting young NEETs aged 16-17 show successful results concerning the positive outcomes, yet the challenge remains the sustained outcome, which are less than 50% and do not ensure that the young person will have a valuable qualification, education or training at the end.

⁸⁶ It includes young people aged 16 & 17 can be engaged on the Youth Contract programme if they are not in education, employment or training (NEET) and have no GCSEs A*-C

⁸⁷ Positive outcomes include: Participation in full-time education or training; participation in an Apprenticeship or a job with accredited training equivalent to 280 guided learning hours per year; participation in part-time education, including re-engagement provision.

⁸⁸ Sustained outcomes include: Sustained participation for at least 5 months out of 6 months in full-time education or training leading to an accredited qualification; 6 months in an apprenticeship, for at least 5 months out of 6 months in full-time employment with part-time training equivalent to at least 280 guided learning hours per year.

Annex 2

Timetable of the major reforms and active labour market programmes targeting young people in the UK since 2007

G B Y		Policy Programme/ Policy package	Content	Outcomes / Evaluation	
Labour	1	2	September Guarantee (in England)	Implemented nationally in 2007 it targets 16-year-olds and was extended to 17-year-olds in 2008. It requires local authorities to offer: 1) full or part-time education in school, college, independent learning provider, or FE college; 2) or an apprenticeship or programme-led apprenticeship, which must include training and work placement; Entry to Employment (E2E) or Foundation Learning; or 3) employment with training to NVQ Level 2.	Data from 2015 show that overall in England 94.5% of young people aged 16-17 received an offer. For 3.4% there are no records, 1% did not receive any offer and for 1% the offer was not appropriate. There are important differences across regions and cities. For example, there are no records for 28% young people in the county of Rutland and, in the city of London, record is kept for all young people. (Data: gov.uk see sources)
	2	2	Education and Skill Act	It guarantees that an apprenticeship is available for “all capable young people” wishing to undertake one. Raised Participation Age (RPA - up to 18 in 2015) in England	The RPA has contributed to reduce the number of NEETs under 18, but the share of NEETs over 18 has increased. RPA can have a worse effect on those who are not able to engage in school, but are forced to. The roll out of the reform brought up the challenges linked with the RPA: Local Authorities did not have enough resources for setting up the adequate system for providing

				career choices and the tracking system necessary to trace young people's trajectory (Maguire 2015).
	3	2	Young Person's Guarantee (YPG)	<p>The Young Person's Guarantee was announced in 2009 an introduced in 2010 and ended in 2011. It targeted all 18 to 24 year olds reaching six months unemployment and ensured that they were guaranteed an offer of a job, training or work experience. The YPG consisted of: Future Jobs Fund; Community Task Force; Routes into Work and Care First Careers (including Routes into Work Pre-Employment Training); and Work Focused Training.</p> <p>Future Jobs Fund – funded by DWP - payed wages and other business costs up to £6,500 per person – for approved bids from organisations or consortia (usually led by local councils) that offered jobs lasting at least 6 months, involved working at least 25 hours a week and paid at least the National Minimum Wage (House of Commons 2011)</p>
	4	2	Agency Work Regulation	<p>Temporary workers qualify for equal treatment as workers in the same job with the same hirer, but only after a qualifying period of 12 continuous weeks in the same job with the same employer. They are not protected for the first three months. They are entitled to paid leave and the National Minimum Wage.</p>
C₀	5	2	Academy Act	<p>It is possible for all schools to become academies, including primary and special</p> <p>First evaluation of University Technical Colleges (Long and Bolton 2016) reveals that</p>

			schools. Becoming an academy gives schools more control over their curriculum, budget and staffing. With this act the Coalition Government also aimed to create also University Technical Colleges which are secondary schools sponsored by a University with the involvement of employers.	there is a low enrolment, low attendance and problematic training take-up according to gender.
6	2 0 1 0 - 2 0 1 1	Positive for Youth (Strategy)	Cross-government approach youth policy focusing on young people aged 13 to 19. It adopted a cooperative approach with young people. It mostly addressed young people's engagement via voluntary sector experiences, funding innovative small-scale projects, national citizen service, and increase and ensure the participation in learning, support programmes for families.	
7	2	Job Seekers' Allowance and Employment and Support Allowance (Work Related Activity Group, i.e. those disabled unemployed people who are recognised as able to work)	Skills Conditionality - to address some lack of skills this allows the JCP to oblige the job-seekers to get trained.	Evaluation of the pilot "skills conditionality" (Dorsett et al 2011). Some key points: it appears that the pilot was not implemented as intended on a number of dimensions. Advisers expressed uncertainty about the aims of the pilot, about eligibility and the random assignment method. This is likely to have led to different interpretations of eligibility. One of the biggest barriers was availability of training, long waiting times and uncertain start dates. Shortages were also identified in sector skills training." Sanctioning results in additional problems for claimants' families.
8	2	JobCentre Plus Offer	It was introduced to give to each JCP office flexibility to individual and local labour market	The evaluation report from DWP (2013) highlighted that: There was an increased

			needs. It places focus on outcomes rather than procedural targets.	variation in delivery of the offer and districts became increasingly focused on understanding and disseminating best practice. However there were only limited changes in the delivery of core 9services. Any developments were mostly associated with making the best use of staff time and resources to maximise off-flows. A number of significant gaps in provision, particularly for claimants with complex and/or multiple needs.
9	2	Apprenticeship frameworks	<p><i>Recent developments</i></p> <p>“In the Summer Budget 2015, the Government announced that it would create a new business tax for large employers, the Apprenticeship levy, to fund its flagship ‘3 million new apprenticeships’ policy. The modalities of the levy were announced in the Spending Review and Autumn Statement 2015.</p> <p>The levy will be introduced in April 2017. The Government predicts that by 2019-20 it will bring in over £3 billion of benefits per year and that £2.5 billion will be spent in England only” (Parliament Brief 2016)</p>	
1	2	Education Act	Schools have the legal duty to secure access to independent and impartial careers advice. Schools are free to decide how to deliver it.	Ofsted (2013) reports that this is not working as expected because a large part of schools was not implementing it effectively and rather narrowly promoting VET and apprenticeship but not really direct work experience (Hadjivassiliou et al 2015)

1	2	<p>Work Programme – main welfare to work scheme addressing long-term unemployed</p>	<p>The Work Programme, replacing the existing programmes for long-term unemployed, represents the major payment-for-results welfare-to-work programme launched in the UK in June 2011. This single programme is meant to overcome fragmentation of previous interventions and it combines strong long-term incentives with freedom for service providers to innovate. The main aim is to stimulate competition among providers in the same area and to select the best providers overtime.</p> <p>It is characterised by three main characteristics:</p> <ul style="list-style-type: none"> - Clear incentives to deliver results with higher rewards for hard to help participants. Payments are dependent on sustained job outcomes for participants. - Minimum criteria for delivering the services - Long-term commitment as contracts with providers last 5 years, which is longer than before. This is meant to foster long-lasting partnerships with local actors. <p>Young people aged 18-24 are referred to this programme after 9 months of unemployment. (DWP 2012)</p>	<p>Participants’ evaluation: “the Work Programme is ‘work-first’ approach, with less emphasis on human-capital based approaches. Only few unemployed claimants were referred to training provision or to support designed to address specific barriers to employment (for example, health conditions, accommodation problems or caring responsibilities). There is a limited use of subcontractors (especially specialist providers) in order to deliver specific support as most support is delivered through generalist, in-house staff”(Meager et al 2014).</p> <p>Nonetheless, most participants who cited difficulties finding work reported that the interventions received were helpful in overcoming their barriers and moving closer to work. However, some groups (older, disabled and better-qualified participants in particular) were less likely to report the interventions as helpful.</p>
1	2	<p>Work Experience Programme (Get Britain Working Package – under the Youth Contract)</p>	<p>Young people 16 to 24 receiving Jobseeker’s Allowance can get a work experience opportunity through Jobcentre Plus (Within the Youth Contract see below). They can last between 2 and 8 weeks (25/30 h/week). Young people may also be able to get help from Jobcentre Plus for costs related to work experience, e.g. for travel or childcare.. The company has not obligation of hiring. The decision to participate on WE is voluntary. Young people undertaking a WE placement continue to receive their benefit and, therefore, are required to continue to sign for their benefit each fortnight and be available for and actively seek employment during the period of their</p>	<p>Early findings (DWP 2012): After the 8 week period of the Work Experience Programme (WEP), results show that young people who took part in WEP had higher likelihood of exiting from benefits. The central estimate is about -6 percentage points by week 13. About 46% of participants were off benefits compared to 40% for non-participants at week 21; thus WEP participants were 16% more likely to be off benefits than non-participants at week 21.</p>

			participation. Hence, sanctions may be applied for non-compliance (DWP 2012)	Overall, an average the benefits is about 5 days more off benefits than if they had not participated.
1	2	Innovation Fund (IF) Pilot Initiative	<p>The Innovation Fund (IF) aims at supporting disadvantaged young people and those at risk of disadvantage aged 14 years and over. It adopts preventative measures and aimed to re-engage young people with Education, Training and Employment.</p> <p>It testes whether the programmes have wider fiscal and social benefits, and deliver social return on investment. It supports the development of the social investment market and it is a Payment By Results (PBR) model, i.e., it is 100% outcome based.</p>	Early assessment (DPW 2014) suggests that the over 100 schools report that the implementation of the programme has being highly positive, with many reportedly seeking to maintain provision beyond the contract period. The demand for services frequently outweighs supply, suggesting that there is scope to scale-up initiatives of this nature”. The target is focusing on the least advantage.
1	2	Increase in University fees	Trebled tuition fees – from £3000 to £9000	
1	2	Apprenticeship Grant for Employers (AGE) (under the Youth contract)	<p>Targeting young people 16 to 24 with individual grants of £1,500 over and above the subsidy to the cost of training (100 per cent subsidy for Apprentices aged 16-18 and 50 per cent for those aged 19-24).</p> <p>Mostly for apprentices for employers of SMEs (less than 250 employees), who are new to apprenticeships or haven’t enrolled a new recruit or existing employee onto an Apprenticeship programme in the previous 12</p>	AGE supports more 16-18 apprentices than normal apprenticeships without support. The objective of having a large share of young people aged 16-18 has been achieved. AGE are mostly in the production sector, with fewer female apprentices and disabled compared to “regular” apprenticeships. Most of the employers are very small as set by the objective with a large share of employers for whom the apprenticeship is new. 30000 grants were delivered although 40000 were to be

			<p>months. Employers can be paid up to 5 grants in total. (extended programme for this year).</p> <p>The objective is to distribute the AGE 16 to 24 grant such that at least 50 per cent of assisted Apprenticeships would be for Apprentices aged between 16 and 18 and that at least 50 per cent would be taken up by small businesses employing 50 or fewer people (BIS 2013).</p>	<p>achieved. 20% estimated of deadweight effect. The completion rate of young people financed with AGE is similar to the regular apprenticeships. The cost benefits analysis shows that the benefits are in the long run (BIS 2013).</p>
1	2	Universal Job Match and National Careers Service	<p>Improving matching between vacancies and unemployed; modernise the delivery of job-matches of the JCP</p>	
1	2	Youth Contract	<p>Implemented for three years 2012-2015 targeting young people 16-24. It is considered as the UK Youth Guarantee. It aims to keep young people close to the labour market by providing 1. work (also via work incentives) 2. Education, 3. apprenticeships or 4. traineeships. Local authorities have the duty to keep track of young people NEETs and to provide them with support. Young people have to have more contacts with JCP and the work coach will refer them to support services. Young people have to check in every week.</p> <p>Based on PbR (payment by results) and black box approach.</p>	<p>The YC and its rigid and more intense structure puts pressure on work coaches who have already a high caseload (DWP – Job Offer Evaluation, 2013). Cuts to LA makes it more difficult for LA to track young people also for the presence of a larger number of privately funded schools which are independent (Maguire 2015)</p>
1	2	Job Seekers' Allowance (Welfare Reform 2012)	<p>New sanctions regime with three levels of penalty according to the breach, the frequency</p>	<p>Young people seem to be the more affected by the change in sanctions as they represent the</p>

			of the offences. Sanctions are linked with the Claimant Commitment.	27% of JSA but 43% of all the sanctions issued since October 2012. (YMCA 2014) Read (2014) no evidence that the increased use of sanctions between 2012 and 2014 led to decrease unemployment.
1	2	Apprenticeship Trailblazers	The aim of the Apprenticeship Trailblazers is the development by employer groups of new apprenticeship standards in line with recommendations from the Richard Review. 140 trailblazers involving over 1,200 employers are involved. 129 standards have been published as of August 2015, of which 45 are Higher and Degree Apprenticeships. More than 220 new standards are in development. In 2014/15, trailblazers were piloting a new funding model where the Government paid £2 for every £1 the employer invested (Parliament Brief 2016)	Newton et al (2015) consider it potentially innovative and bringing employers at the heart of training delivery. The positive aspects are a stronger ownership, a clearer definition of skills and knowledge and behaviours required by employers. Yet some challenges remain: SMEs are not really involved because it is highly resource – intensive. Potential confusion between standards and qualification, structures could prevent the ownerships of employers.
2	2	Traineeships	Introduced in England in 2013. They target are young people between 16 and 24 years old with little work experience or have been not successful with an apprenticeship and have qualifications below level 3. Traineeships aim to prepare them for apprenticeships and employment. Traineeships include work experience placement varying between 100h and 240h., work preparation, job-search, English and mathematics courses. They are not paid the	An evaluation reports that, before starting, most of the trainees were studying or looking for work (thus not vulnerable NEETs) and 40% reported to have already a work experience before the traineeship. The largest part of employers were SMEs and mostly in social and care work. Overall trainees and employers report positive feedback from the experience. Half of those who finished the traineeship were either in work or apprenticeship (42% in the same company) and 17% in education or training (BIS 2015).

			<p>National Minimum Wage and employers are not required to pay the trainees.</p> <p>Trainees can continue to receive benefits including JSA and Universal Credit.</p>	
2	2	Universal credit (within Welfare Reform Act)	<p>Major reform to the welfare system in the UK, introducing a single payment system of means-tested support for those out of work and those in work and on low incomes.</p> <p>It replaces six previous benefits. Motto: the best way of helping claimants out of poverty through incentivising them to enter into employment. The new system also introduces stronger financial incentives for entering into work. It wants to stimulate cultural change by paying it once a month as a salary.</p> <p>The conditionality is modified as all claimants will be required to accept a 'Claimant Commitment' and they can be sanctioned if not complying.</p> <p>Depending on the claimant's circumstances, this may involve requirements to find work or for those who are not expected to look for work it may contain work preparation. As in JSA, for unemployed recipients able to work, a typical requirement is that they spend 35 hours each week on 'job search activity'. Job-search activity becomes a "full-time" job.</p> <p>To reflect the much broader range of claimant circumstances covered under UC, others will</p>	<p>A peer review evaluation conducted at the EU level in December 2015 highlights that:</p> <ol style="list-style-type: none"> 1. A simplified benefit system may blur the boundaries between insurance based and social assistance systems. This can turn out to be challenging depending on associated conditionality introduced. At the same time, this simplification can also be expected to increase the take-up of means tested benefits 2. When focusing mostly on financial incentives to bring claimants back to work, there is a risk of not taking properly into account individual circumstances that represent a barrier. 3. Conditionality imposed via the Claimant Commitment need to be applied also taking into account the macro-economic situation. 4. Demand-side oriented approach with stimulation of the demand and employment should also be considered. 5. The issue of underemployment and lack of support for individuals to progress once within work should also be considered.

Conservative			<p>be subject to conditionality requirements that reflect their individual characteristics. One example of this is that claimants who are in work could either be subject to no requirements or could have requirements set to increase their earnings.</p> <p>Work coaches will have the discretion of assigning people to category they think more appropriate.</p> <p>A common online account for job search and claiming benefits will be established and the HMRC (Financial Authority) will check on individual earnings and reduce the amount gradually as soon as the person earns a sufficient amount.</p> <p>(UC is still in the rolling out phase)</p>	
	2	2	<p>Youth Obligation</p> <p>Young people aged 18 to 21 and receiving Universal Credit will be required from April 2017 to take part in an intensive support programme. After 6 months they are expected to apply for an apprenticeship, traineeship, gain work-based skills or go into mandatory work placement in order to gain significant work experience and get back to work. (principle “earn or learn” – The Guardian http://www.theguardian.com/education/2015/jul/08/budget-2015-grants-poorer-university-students-scrapped-loans)</p>	

Sources: Hadjivassiliou et al 2015; <https://webgate.ec.europa.eu/labref/public/> database LABREF for UK, Gov.uk, DWP, Ofsted, YMCA 2014. Feeling the Benefits Signed on and Sanctioned, available at <http://www.ymca.org.uk/research/feeling-the-benefits>, INSPIRE <http://www.inspires-research.eu/innovativesocialpolicy/224-September-Guarantee>, Government on the September Guarantee <https://www.gov.uk/government/publications/september-guarantee-offers-of-education-or-training-for-16-to-17-year-olds>; Newton, B., Gloster, R., Miller, L. and Buzzeo, J. 2015. Evaluation of the Apprenticeship Trailblazers: interim report. BIS. March. Research paper number 213; BIS 2015. Traineeship: First year evaluation. Research Paper Number 222. European Commission. 2015. Key Policy Messages from the Peer Review on the Universal Credit. Mutual Learning Programme. London, available at <http://ec.europa.eu/social/main.jsp?langId=en&catId=1047&newsId=2302&furtherNews=yes>; Meager, Nige, Newton, Becci, Sainsbury, Roy, Corden, Anne, Irvine, Annie. 2014. Work Programme evaluation: the participant experience report. Department for Work and Pension. December 2014; Reed, H., 2014. How Effective are Benefits Sanctions? An investigation into the effectiveness of the post-2012 sanctions regime for Jobseeker's Allowance claimants. December 2014. OXFAM; DWP. 2013. JobCenter Plus Offer: Final Evaluation Report. November 2013; Maguire, Sue. 2015. "Neet, Unemployed, Inactive or Unknown – Why Does It Matter?". Educational Research 57(2):121-32. doi: 10.1080/00131881.2015.1030850; BIS. 2013. Evaluation of the Apprenticeship Grant for Employers (AGE 16 to 24) programme. BIS Research Paper Number 157. December 2013; DWP. 2014. Innovation Fund pilots qualitative evaluation Early implementation Findings. July 2014; Dorsett, R., Rolfe, H. and George, A., 2011. The Jobseeker's Allowance Skills Conditionality Pilot. Research Report 768. DWP; Long, Robert and Paul Bolton. 2016. University Technical Colleges. House of Commons, Research Brief, Number 07250.

References

- Cedefop, European Centre for the Development of Vocational Training. 2013. "Spotlight on VET: United Kingdom."
- EFA.2015. Youth Contract Youth Contract for 16- to 17- year-olds (ORIGINAL COHORT): Delivery data for September 2012 to September 2015.
- Eurostat. 2016. Labour Force Survey.
- Eurostat. 2016. Education and Training.
- Delebarre, Jeanne. 2015. Apprenticeships Policy, England 2015. Research Briefs. No. 03052. 20 January 2015. House of Commons.
- Joseph Rowntree Foundation. 2015. Unemployment and numbers claiming benefits. Posted on 23rd November 2015. Available at <http://www.jrf.org.uk/data/unemployment-and-numbers-claiming-benefits>
- Hadjivassiliou, K., A Tassinari, S. Speckesser, S. Swift and C. Bertram. CROME. 2015. "Policy Performance and Evaluation: United Kingdom." Vol. WP3.3/UK. *STYLE Working Papers*. Brighton.
- Musset, P. and S. Field. 2013. *A Skills beyond School Review of England*, OECD Reviews of Vocational Education and Training, OECD Publishing/OECD. <http://dx.doi.org/10.1787/9789264203594-en>
- OECD. 2013. Skills Outlook. Paris: OECD Publishing.
- OECD. 2014. Education at a glance. Paris: OCED Publishing.
- OECD.2015. Education at a glance. Paris: OECD Publishing.
- ONS. 2015. Employee contracts that do not guarantee a minimum number of hours: 2015 update. 2 September.
- Venn, D. 2012.Eligibility Criteria for Unemployment Benefits: Quantitative Indicators for OECD and EU Countries, *OECD Social, Employment and Migration Working Papers*, No. 131, OECD Publishing, Paris.