

Does 'work first' work in times of crisis? Recession, unemployment and activation policy in the UK

Since 2008, the UK labour market has experienced a rapid increase in unemployment, particularly among lower-skilled young people who have seen a decline in accessible entry-level job opportunities. Problems have been concentrated in already relatively depressed local labour markets that have only gradually begun to recover from processes of industrial restructuring that caused mass job losses in the 1980s and 1990s. Given the demand-side problems that have limited opportunities for young people, the UK's fundamentally supply-side, 'work first' activation model has come under pressure. While UK policy makers remain committed to a model of activation informed by principle of 'work first', some recent reforms have emphasised the targeting of resources in job-deprived labour markets. Furthermore, the UK Government's recession-era establishment of a 'Young Person's Guarantee' of a work or training placement, and the creation of a 'Future Jobs Fund' to stimulate temporary employment opportunities, have been seen as a something of a digression from standard supply-side, 'work first' approaches. This paper reviews the impact of the recession on labour market trajectories of lower skilled young people in the UK. It then critically assesses policy responses. While there is some evidence of innovative practice (and possibly a more human capital-oriented approach) under recession-era reforms, the UK model continues to be dominated by 'work first' activation programmes that are unlikely to be able to help more vulnerable young people. Nor do relatively small-scale job creation policies fully address the more severe impact of the recession in already depressed local labour markets – in these post-industrial labour markets, the dearth of entry-level opportunities for lower skilled young people threatens to significantly increase labour market inequalities and deepen social exclusion.

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