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1. “We Conservatives hate unemployment.” Margaret Thatcher

How can we address youth unemployment following the Covid-19 pandemic?

Tackling youth unemployment: Redirect, Reinspire & Reimburse

Last year nearly 100,000 young people applied to be on reality TV show Love Island. Are they hapless romantics? Possibly. For many, though, it seems the opportunity to appear on a widely viewed television programme is perceived to be a stepping stone to a career of social media influence, fuelled by endorsements.

A recent report by the charity Education and Employers showed that nearly 15% of 17-18 year olds wanted to work in the entertainment industry¹. This is nearly 5 times the economic demand. ONS data from 2018 reveals a similar disconnect: nearly 12% of 16-21 year olds wanting to work as writers/actors or producers with less than 2% of 22-29 year olds actually in those jobs.²

So we find ourselves in the UK, not so much with a youth unemployment crisis, but an employment aspiration crisis. Employment demand is increasingly concentrated in areas of low supply. As our culture drifts further and further from its roots in Judeo-Christian tradition, the notion of work as duty or service has faded, replaced by some form of self-actualisation rooted in the pursuit of pleasure.

The first step in addressing youth unemployment is to ‘redirect’. In practical terms this means redirecting our young people to the jobs and industries that need them. There is a deeper cultural shift which I believe needs to take place here too. Although I see less of a role for the state here and believe it needs to be addressed in large part within the family unit and what we as society choose to reward with social currency.

¹<https://www.educationandemployers.org/disconnected/>

²<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/articles/youngpeoplescareeraspirationsversusreality/2018-09-27>

I believe the government should publicly publish data showing national skills-shortages and entry-level job numbers by sector. This could clearly direct young people to where they are needed in the job market. This should be explicit, overt and in addition to being communicated nationally, should be localised for schools, colleges and job centres.

The government should also incentivise training for the roles we most need. One in eight nursing roles is empty³. We have 5 times as many young people applying to Love Island as we do graduating as nurses. That balance can only be redressed by making the professions we want to fill inexpensive to enter.

The next stage is to reinspire. Many young people will have aspirations that are disconnected from the realities of the job market. Their skills and talents, however, may be perfectly well suited. They need to know what's out there, and how they might find a profession suited to their interests and abilities.

My recommendation is to run a national media campaign, targeting interest groups, with inspiring messages about potential career direction. Much like we do with the Navy.

Like gaming? You could have a bright future in programming. Avid Instagrammer? Agencies are looking for graphic designers. Rapper? You must have a flare for words: copywriting could be a great fit. If you can drive a car you might like driving a bus... or a forklift! The overarching message being that there's a job for every interest.

Let's reinspire our young people with growth opportunities.

The final step is to reimburse. That's for the employers. Taking on employees at entry level is costly and involves risk. I have two reimbursement proposals to incentives businesses to take on more young people.

The first is a National Insurance reimbursement. If a young person is employed and passes their probation period to be taken on as a full-time employee the business can apply for a reimbursement for the NI paid during that probation period. This will help business with the cost of creating a new role but also encourage them to keep new employees on.

The second is a reimbursement on corporation tax for creating a new role within an SME. Small business owners will be able to allocate a portion of the cost of a new role (up to £5,000) as an expense, thus reducing their overall corporation tax bill. This will be a very strong incentive for SME's to take on new employees and grow their businesses. By limiting

³https://www.longtermplan.nhs.uk/wp-content/uploads/2019/05/Interim-NHS-People-Plan_June2019.pdf

the availability of this scheme to smaller businesses we are encouraging local-level employment, not giving tax breaks to larger corporations which do not need it.

I believe that the three elements of this proposal will go a long way in helping to address youth unemployment. Redirecting young people to meet the market demand, reinspiring them to create value from their interests and incentivising job creation by reimbursing businesses for investing in our young people.