

# Devolution: the answer to North East youth unemployment?

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**D**espite the slight fall in unemployment across the UK, 1.45 million are still out of work. 800,000 16 to 24 year-olds are classed as NEET - not in education, employment or training. According to the business-backed think-tank Policy North, 45,000 young adults - over a fifth - aged 19 to 25 in the North East region are jobless, in what's been termed 'a lost or forgotten generation'.

Youth unemployment is now higher than in 2009 - and the North East is being hit the hardest, with the Midlands not far behind. Figures for Newcastle-Upon-Tyne illustrate this in stark terms. 11 per cent of the city's 16 to 24 year-olds are NEET, down on 18 per cent in 2013.

While the affluent electoral districts of Parklands and Gosforth have NEET rates for 16 and 17 year-olds as low as 1 per cent, comparable rates for disadvantaged wards such as Benwell & Scotswood, Elswick and Walker are far higher - 7 per cent and 11 per cent respectively. In the most deprived outer council estates of Woodhouse Close, in the de-industrialised northern town of Bishop Auckland, and Cowgate, three miles west of Newcastle, unemployment amongst young adults is a staggering 23 per cent.

The implications are serious for hard-pressed businesses, the wider community and public services. Being NEET is often related to youth offending, poor performance at school, mental health issues, early parenthood and other 'scarring effects'. In Newcastle, 67 per cent of NEETs are drawn from that quarter of youngsters known to social services.

However, research carried out by Professor Robin Simmons, Lisa Russell and Ron Thompson, from Huddersfield University's education faculty, challenges some of the stereotypes about youth joblessness, and offers a range of policy recommendations for decision-makers both in the Labour Party and elsewhere.

The research project, conducted in the north, (published as *NEET Young People and Training for Work*) has a number of important findings. One of

these is that nationally three-quarters of 16 to 18 year-olds who are NEET come from households with at least one parent in work, and that normally they are out of work for relatively short periods (on average three months). Moreover, as Simmons and his colleagues point out, while generally NEET young people have lower than average qualifications, it's easy to overlook the fact that many jobless university graduates are also officially classified as NEET.

Either way, the research found that most NEET youngsters want to work, although some 'churn' chronically between low-grade courses and poorly paid, insecure jobs. On the few occasions those taking part in the study found decent, secure employment they usually stuck with it.

Further, although some on the political right, like David Marsland, dubbed Mrs Thatcher's 'favourite sociologist', are quick to label the jobless as a 'feckless under-class' or 'new rabble', Simmons' team found that most NEET teenagers are essentially ordinary working-class kids with mainstream values, attitudes and opinions. Most wanted a paid job, a decent home and to start a family.

Simmons et al, in their sequel *Education, Work and Social Change*, drew a number of conclusions, some of which relate to education and training, which is often not effectively matched to young people's needs and capabilities. Yet they also argue that there's an urgent need to stimulate demand across the economy, and for the labour market to be effectively regulated.

In other words, a well-funded industrial strategy or policy is needed with meaningful targets and demanding deadlines. Of course, a dose of realism is required here: long-closed mines in 'forgotten England' like south east Northumberland or the coalfields of Durham, the former steelworks of Consett and the traditional shipyards on the Tyne and Wear won't re-open. But work in the green economy, in housing regeneration and on public infrastructure projects can be created. In the last

four years, Newcastle City Council, in partnership with North Tyneside Council and the business community, has invested heavily in the off-shore oil and gas industries, hospitality and tourism, digital technologies, new housing and ultra-fast broadband.

This is creating much needed jobs, instilling business confidence, and giving NEETs the meaningful opportunities they require.

The council continues to work with business to grow the city's economy. The number of jobs has risen to its highest level for at least a decade. It's set to break through the 20,000 mark, with more Geordies in private sector jobs and more businesses locating or being set up here, north of Tyne.

Major investment projects have been supported across the city, including Newcastle Science Central, the Stephenson Quarter, the North Bank of the Tyne, Northumberland Street Retail and Newcastle International Airport Business Park - which is set to become one of the key employment locations in the North East.

A £4.7m North Tyne Community Led Local Development five-year plan has been rubber-stamped by the EU, targeted at the most disadvantaged riverside areas in Newcastle and Wallsend, partly focusing on people who have never worked.

Most fair-minded people in our region believe that the opportunity to have a high quality job should be available to every resident, with decent employment rights, providing security, supporting well-being and helping to grow the local economy. New schemes, such as the 'Life Chances Fund', in some of the most deprived neighbourhoods will ensure that all young people get the opportunities they need.

In 2013 to 2016, 12,700 more residents found paid work. Investment is benefitting young people too. 145 from the city have been supported into jobs by Generation NE in 2017, alongside 85 employed on apprentice schemes, and with an additional 28 on pre-apprenticeship programmes.

On a national level, a properly funded and effectively managed policy commitment to a job guarantee - a real job for anyone who's been workless for two years (one year for the under-25s) - needs to be affirmed, while a revitalised enterprise allowance scheme to boost self-employment and business start-ups is a must.

The old Community Programme for the 18 to 25 year-olds (first introduced by Jim Callaghan's administration in 1978) needs to be rehabilitated. This helped shape the Future Jobs Fund, a job creation programme which offered valuable work experience at the 'going rate' whilst creating 20,000 'real' jobs in the north alone, that was brought in by Gordon Brown's government in 2007. Youth unemployment was cut as a result.

The gradual development of devolved combined authorities headed up by elected metro mayors in Birmingham, Greater Manchester, Merseyside, Tees Valley and the £600m North of Tyne devo deal - part of the 'Midlands Engine' and 'Northern Powerhouse' agenda - will cast a spotlight on NEETs, skills shortages and adult training. Regional earnings in some economic sectors are below the national average for England. But challenging stubborn long-term, above-average youth unemployment in 'struggling' northern seaside towns like Blyth or Hartlepool and 'forgotten places' like Ashington or Ferryhill must be the key priority for north east mayors working in partnership with private enterprise, Local Enterprise Partnerships, trades unions, the third sector and local government.

The North of Tyne devolution deal, incorporating Newcastle, Northumberland and North Tyneside, has the potential to create 'more and better jobs' in the North East. The area has also been selected to pilot a new scheme to boost the rural economy and tackle 'hidden' rural NEETs.

The NCTA will take over the £23m Adult Education budget, which will be used to ensure that people are skilled up, while a North of Tyne Education Improvement Challenge, based on the successful London model, will be set up to tackle educational under-performance in north east towns.

Above all, the much maligned public sector has a role to play.

As the educationist Patrick Ainley notes in his book *Betraying a Generation* (2017), a far-reaching programme to create sustainable jobs is necessary to deliver the employment opportunities needed in the 'left behind' de-industrialised coalfield and coastal communities of the north. He recommends a policy of public works and health care: restoring homes, engaging in conservation and environmental projects and improving the regional infrastructure would go some way towards bridging the opportunity gap that presently exists.

However, much more needs to be done to give our northern young people a brighter future. Significant changes in central fiscal and public policy, such as extended devolution to include Gateshead, Sunderland, Durham and South Tyneside, high skilled employment opportunities, and a 'real' National Living Wage, both at a sub-government level and in the broader political economy, are needed to bring about an inclusive North East England.

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