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SPERI British Political Economy Brief No. 30

# Young workers' perspectives on the economy, crisis, the labour market and politics

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With its tenth anniversary approaching, the 2008 global financial crisis has had significant ramifications in the UK that are still being felt today. Young people in particular have been among the groups most affected by the crisis, in part because they will live with the aftermath for longest, and in part because of the crisis' specific impact on their socio-economic circumstances. Young people also appear to be on the front line of structural change within the economy, evidenced by a stratification within the labour market between secure, high-skilled employment (in industries such as finance, business services and advanced manufacturing) and precarious, low-skilled employment (in industries such as retail and care). With growing flexibilization, the 'gig economy' and rapidly advancing automation, it seems apparent that the world of work is changing, and as such a new generation of workers will be subject to labour market conditions unlike what past generations have experienced.

In this Brief, we present new research on the perspectives of young people themselves on this transformation. Surprisingly, there have been relatively few attempts to understand the experiences, opinions and attitudes of younger people regarding the economic crisis and its aftermath. Utilising focus group research, we consider whether young people are content to work within 'the new normal', and whether they are willing to challenge prevailing economic circumstances in order to refashion the labour market. The research presented here is part of a larger study funded by Unions21 in conjunction with Slater and Gordon. The focus here is on attitudes to the economy, work and politics, but the larger project focuses also on attitudes to trade unionism and industrial relations. The research also seeks to differentiate between different types of young workers, particularly in terms of educational attainment, recognising the apparent 'hollowing out' of the UK labour market following the decline of intermediate-level employment in many industries.

## Existing literature

Our study was founded upon a review of the existing evidence base. We drew upon international and comparative work, as well as research focused only on the UK (the key publications we drew upon are listed in the 'further reading' section below). It should be noted that much of the academic research on young people's perspectives on work is fairly dated – there have been relatively few studies yet which have investigated the perspectives of young people in the post-crisis period.

- Our review of the existing international evidence across these areas suggests that popular perceptions of young people as very different from older cohorts or previous generations of young people are somewhat exaggerated. Most of the concerns that young people have about work are the same as ever – primarily pay and security.
- There is some evidence that today's young people are more individualistic and slightly more focused on extrinsic values – and as such prioritise higher pay not simply for its own sake, but also because it signifies status and recognition. But a thorough examination of this claim in the post-crisis environment is required.
- The literature also strongly suggests that today's young people are concerned about career advancement. Higher-skilled young workers, in particular, tend to want to work for employers that care about their future, and are able to offer opportunities for meaningful and interesting work with which they can personally identify.

- While this Brief does not focus primarily on trade unions, it is worth noting that the literature suggests young people have become much less likely to join a trade union (union membership statistics confirm this, convincingly, in the UK case. This is partly a structural shift, with young workers concentrated in under-unionised industries. But there has also been a turn among the young against traditional forms of political and economic representation.
- In line with evidence of a more pronounced individualism among today's young people, young workers appear to want trade unions that reflect their personal views and ambitions. Many are certainly prepared to co-operate with other workers to pursue common goals, but they are perhaps less likely to value collectivism as a set of foundational principles.
- There is also evidence that young people prefer 'exit' over 'voice' when faced with employment problems; that is, they are more likely to leave their existing employer than seek to change their practices. This clearly conflicts with traditional forms of industrial relations.
- The evidence base on how the economic crisis in particular has shaped young workers' attitudes remains under-developed. There is some evidence, from the UK and overseas, that the young are very much aware of the problems the crisis (and austerity) has caused, but are prepared to revise down their ambitions for their career, in the first instance, rather than challenge the new status quo.

## Empirical research

Our research is based on a series of focus groups with young people aged between 18 and 25, held in Manchester, Grantham and London in October 2017 (conducted by Populus). The groups all had between seven and nine participants. There were two sessions in London – one for only graduates. We also conducted an online 'community' exercise, that is, a social media-style discussion forum with seventeen participants, which took place over several days.

### *Perspectives on the economy in general*

- Overall, the research revealed a broadly negative outlook amongst young workers on the wider economic context around them. This negative perspective was the result of both long-running trends, going back to the financial crisis of 2008, and more immediate concerns about the present economic situation, resulting from the uncertainty caused by the Brexit vote.
- Discussion of the crisis legacy typically revolved around the increasing costs of living, the challenging housing market, stagnant wages and cuts to the public spending. One participant in a focus group in London said: 'since the crash in 2008, I think people at the top have actually done quite well ... [whilst] the cost of living has gone up for most people, but the wages have stagnated, so it's gotten harder for most' [male, London].
- There was a clear feeling amongst focus group participants that the crisis had impacted upon the nature of work available today. Young workers feel that the crisis had led to fewer permanent contracts and lower security when you are in a job.

- Moreover, a number of participants felt that their situation was unfavourable compared to that of their parents' generation. Some discussed how the economic environment today was having the effect of stunting their ambitions to do things they associated with 'growing up', which their parents had taken for granted, such as being able to afford to buy a house, get married, start a family, etc.
- These long-term trends were seen to have been compounded by more recent events. Brexit was particularly significant, being mentioned across all of the focus groups and in the online discussions as an event that has thrown up greater uncertainty, and put added strain on the cost of living. Some participants expressed fears that Brexit would trigger another financial crisis.

#### *Perspectives on the labour market*

- The young workers participating in the focus groups and online community felt that the current UK labour market was a reflection of the rather negative economic situation in the country.
- Many participants expressed significant concerns about the quality of jobs that had become available, increasing competition for good jobs, and downward pressure on pay and conditions that results from increased competition.
- Low pay and the increasing exploitation of younger workers was seen as a key problem, and this tied into a wider story around a lack of job stability, involving the use of non-permanent contracts and zero-hours contracts – which was a major concern amongst all participants.
- Some participants, particularly graduates, expressed optimism that, while general labour market conditions were difficult, they would personally succeed as long as they were able to develop and utilise their skills.
- Others, however, indicated that their expectations of good work had been revised down, as crisis conditions are effectively normalised: 'I tend not to think about my job future too much as it seems bleak, particularly with Brexit looming... my main aim is to make enough to pay rent and bills' [male, online community].
- Many participants expressed the view that their prospects compared unfavourably to those of previous generations had experienced. One young worker in a focus group commented: 'I feel like with parents and even grandparents, a generation, you could stay in one job and do it forever 'til the time and I don't feel like it's the same now. I don't think there's as much certainty' [female, Manchester].
- Interestingly, when asked about the concept of the 'gig economy', most participants in the focus groups had not heard of this term, except for a small number in the graduate-only focus group in London. When pressed, however, most had knowledge and understanding of what the concept of the gig economy meant; that is, they recognised the rise of digital platforms like Uber and Deliveroo and what working for such firms usually entails (self-employment, zero-hours contracts, etc.).

- There was a consensus that the gig economy can be suitable for certain groups of people (e.g. students, people with other commitments than work, etc.). However, there was also a feeling that such jobs should not replace traditional, full-time and permanent employment.
- Participants in the focus groups also indicated a limited awareness of the threat of automation. When pressed, however, it was clear that several participants had knowledge and understanding of the potential implications of automation.
- Amongst a number of the graduate participants in London, there was a feeling that automation could lead to more good jobs being created in the long term, particularly within industries that require 'critical thinking'.
- Amongst most others, however, there was less optimism. One non-graduate young worker in London remarked that the company he works for 'don't really try and hide the fact that they do want to heavily automate as much as they can, and even things like doing your rosters and your rotas, they plan to have an algorithm to sort that out. A lot of admin jobs will be possibly redundant' [male, London].
- In general, there were relatively few differences evident in the perspectives on the labour market between graduate and non-graduate participants. Graduates tended to express a desire to work for companies that recognised their skills and enabled them to develop – whereas non-graduates recognised that such opportunities would be incredibly rare for them.
- However, graduates expressed more concern about the intense competition they faced in applying for good jobs, and the unreasonable expectations of employers when they were applying for entry-level positions.
- Perspectives on trade unions will be discussed at length in our forthcoming report. However, it is worth noting here that participants demonstrated a relatively limited understanding of trade unions, and the services unions offer.
- While most supported the idea of trade unionism, few had encountered union activity in their workplace, and they had not sought information on the potential benefits of union membership.
- There were concerns about the perceived tendency of trade unions to pursue strikes rather than dialogue with employers, and the perceived high cost of union membership. Many participants felt that unions needed to craft and communicate an offer that would clearly demonstrate the benefit of union membership to their career ambitions.

#### *Perspectives on politics*

- Fascinatingly, many focus group participants expressed particular concern about the political role of many trade unions, specifically their support for the Labour Party. This perhaps speaks to a wider disconnection between young workers and the idea that collective political action is necessary to improve their precarious positions in the labour market.

- Brexit featured heavily in general focus group discussions about politics. There was a feeling amongst some focus group participants that the electorate had to some extent been 'mis-sold' Brexit. Others, moreover, reported feeling overwhelmed by all of the information required to properly understand the issues around EU membership. Some referred to 'switching off' from politics altogether after the Brexit vote.
- There was a degree of consensus that politics has the potential to significantly influence the economic situation in the country. Nevertheless, most did not feel that any of the leading parties were capable of making a positive difference to their lives.
- A few participants also felt that young people were largely neglected by the government and did not receive sufficient support, and there was a distrust of politicians evident amongst some: 'I really don't like politics in general as I firmly believe that the vast majority of MPs are in politics for their own devices and not to help their constituents in any way.' [Male graduate, online community]
- Young people in London appear to be the most politically engaged, and much more likely to support the Labour Party.

## Analysis and conclusions

Our study is of course not based on longitudinal data, making it difficult to identify period and cohort effects – in other words, how distinctive the perspectives of young people are compared to previous generations. However, our research corresponds in important ways with the existing literature, some of which is comparative and longitudinal in nature. Moreover, we offer evidence on perspectives about issues and events which are, to some extent, unique to today's young people. Everybody alive in the past decade has experienced the financial crisis and its aftermath, but not everybody has experienced it as a young person transitioning between adolescence and adulthood. This is the group we are most interested in.

In our view, this group hold concerns about their labour market circumstances which are enduring. Their view of what constitute good work – focused on fair pay, a degree of security, and opportunities to develop – is common to most cohorts. However, they have an emergent awareness that, compared to their immediate predecessors, this generation's ambitions for obtaining good work are far less likely to be met. The sense that their livelihoods, and future prospects, are precarious underpins the perspectives of today's young people on all aspects of political and economic life.

One of the effects of this precariousness is that it might seem that today's young people are more materialistic or individualistic than previous generations. Our research has produced some supportive evidence for such notions. Ensuring they are adequately remunerated is a primary concern, as is, for some, the belief that employers should prioritise their personal development.

However, such findings cannot be divorced from the reality that today's young people are less able to take for granted that their work will be fairly rewarded, and offer opportunities for development. We would therefore tempter the suggestion made in parts of the existing literature that young people are more likely to be view pay as a proxy for status and recognition than previous generations. This might be accurate, but has to be seen in the context of a strongly held view among young people that their value to the economy is not being fairly recognised.

It is interesting that, despite their justified belief that they are facing some significant challenges in the labour market, today's young people do not instinctively turn to trade unions for support and opportunities for collective bargaining. This supports our view of a more pronounced individualism among young workers today. However, there is also a strong sense among young people that – even though they like the idea of trade unionism, and believe in the power of politics to transform economic life – traditional forms of political and economic representation are not well-suited to their perspectives.

The 2008 economic crisis also underpins much of what young people believe about the economy and their own place within it. This sense of injustice has been compounded by the Brexit vote, which young people report has created manifold uncertainties for their future lives. Our research reveals therefore a relatively strong sense of generational identity among today's young people in which, rightly or wrongly, they believe their political and economic experiences are unique, or uniquely difficult, compared to recent cohorts.

### Further reading

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January 2018

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