Barriers to and triggers of policy innovation and knowledge transfer in the UK

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i) to ‘advance the knowledge base that underpins the formulation and implementation of relevant policies in Europe with the aim of enhancing the employment of young people and their transition to economic and social independence’, and

ii) to engage with ‘relevant communities, stakeholders and practitioners in the research with a view to supporting employment policies in Europe.’ Contributions to a dialogue about these results can be made through the project website www.style-research.eu, or by following us on twitter @STYLEEU.

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Executive Summary

At present, youth unemployment in the UK stands at 16.1% which, although relatively high, compares favourably with the EU-28 average of 21.5%. Moreover, the UK’s youth unemployment has, over the years, been consistently below the EU-27 average. Yet, the UK youth labour market’s relatively better performance masks a number of structural and institutional characteristics which have an adverse impact on young people’s school-to-work (STW) transitions. Compared to other Member States, the UK is characterised by fast but unstable STW transitions, although in line with most other Member States, young people are taking longer to move from education to (permanent) employment. Indeed, STW transitions in the UK have become lengthier and more uncertain. Young Britons move more frequently between jobs and into and out of education, while a large number are employed in precarious part-time or temporary jobs, including the controversial zero hours contracts (37%).

The UK is also characterised by a relatively high number of early school leavers (12.4%) and NEETs (13.3%), most of whom face serious difficulties in their labour market entry due to their low level of (basic) skills and employability. Indeed, a significant minority of young people continue to leave secondary education without the skills and qualifications to compete in the labour market and saw their job prospects disproportionately affected by the economic crisis. This is important because, compared to other Member States, qualifications and skills are more critical for smooth labour market entry in the UK.

Linked to this is the recurring criticism of the UK’s education and training system that it equips young people with inappropriate or insufficient skills (vertical and horizontal skills mismatch and/or basic and ‘soft’ skills deficit). A contributing factor is considered to be the traditional lack of rigour, quality and/or breadth on the UK’s VET provision which often results in young people being trapped in low-end jobs, intermittent employment spells, or even unemployment with no prospect of progression onto further learning which could result in sustained and quality employment. This is exacerbated by the fact that non-academic pathways between education and employment are unclear, complex and difficult to navigate. There is also a pronounced and persistent inter-generational cycle of disadvantage, low skills and youth unemployment.

The problems young people face are fairly long-standing, but were exacerbated by the Great Recession of the late 2000s, while the changing structure of the (youth) labour market and the associated greater difficulty in accessing entry level jobs poses another major challenge. The decline of sectors such as manufacturing which traditionally provided employment to young people, is well-documented. Moreover, as our stakeholders stressed, young people have also been hit by the progressive polarisation and hollowing out of the labour market which has resulted in fewer jobs for the low and mid-qualified. This is exacerbated by the reduction of intermediate level jobs which results in fewer opportunities for progression beyond entry level jobs. As a result, young people also face intense and growing competition from older and more experienced workers as well as migrants, especially in the UK’s expanding low wage service economy.

The UK’s approach to addressing structural youth unemployment issues such as those described above can be characterised as light touch labour market regulation, state investment in education coupled with reforms (supply side policies), and strong activation, all of which have consistently involved policy and process innovation, albeit to varying degrees. The UK exemplifies the Walther, and Pohl’s ‘liberal regime’ which is characterised by workfare (coercive activation) characterised by a priority on youth employment/employability and a ‘work-first’ approach, especially for specific categories of young people, including those with limited or no work experience. An array of sanctions of increasing severity are aimed at controlling compliance.
A) **Enablers and barriers to policy innovation**

Our analysis of existing literature and our stakeholder interviews have highlighted a number of enablers and barriers to policy innovation.

- **Reliance on market mechanisms, competition and choice** in the way youth-related policies and services are designed and delivered is seen as key to driving policy innovation in the UK (as well as improving range, quality, effectiveness of policies). Government respondents argued that the introduction of a ‘payment-by-results’ model of delivery for its main flagship ALMP programme for youth, the Youth Contract, and other welfare-to-work programmes such as the Work Programme should in theory function as a facilitating condition for learning and spreading of good practice, by encouraging public, private, and third sector organisations involved in their delivery to adopt innovative solutions and learn flexibly from each other. This view is contested by other stakeholders according to whom the fact that providers have been required to ‘compete’ with each other to win contracts for delivery of these programmes may have, in turn, acted as an obstacle to learning and peer-to-peer sharing of best practice, by introducing a marketised logic of competition in their working practices and in their delivery model.

- **Linked to the above is risk aversion** (linked to path dependency) on part of policy-makers can act as a major barrier to learning and, consequently, innovation. Indeed, since the 1980s onwards, the ideological commitment to a ‘slim’ state and towards **minimal government regulatory intervention**, as well as more recently the turn towards ‘employer ownership’ of skills and growth means that UK government has been always very reluctant to consider policy solutions, even innovative ones, that may a) place greater regulatory burden on employers especially; b) be perceived by the public as an increase in government’s interference in various areas of economic life.

- **Another condition preventing learning and possibly innovation is, arguably, the dynamics arising from intra-departmental competition and fragmentation of responsibilities.** The fact that different government departments have responsibilities for different age groups and areas of policy affecting youth, and are led by different ministers with sometimes conflicting policy agendas, results in a situation in which at times government departments seek to push their ‘own’ policy priorities and defend their institutional power resources at the expenses of collaborative learning and spreading of good practice.

- **The widespread use of Pilots, Pathfinders, Trailblazers, Controlled Experimentation and Zones** in the UK has also been traditionally enabled innovation in that they provide ‘safe spaces’ for testing innovations and managing their risks within defined parameters before a new policy is widely implemented. For example, at present the Apprenticeship Trailblazers are expected to test and deliver a whole array of new employer-designed apprenticeship standards.

- **Moreover, at the regional level, devolution of powers to the nations** has arguably created good, conducive conditions for policy learning and innovation. Indeed, the creation of national, more localised policy-making machineries facilitates local experimentation of new/innovative approaches targeted at young people. For example, Wales (as opposed to England) has introduced a Youth Guarantee which arguably represents a key innovation within that nation. Devolution also enables the easier spreading of good practice and more careful consideration of emerging evidence from previous experiences and from policy implementation at the local level in the design of new programmes.

- **The existence of a very well developed and ‘crowded’ policy community**, with very well developed networks of think tanks and numerous research organisations producing knowledge on issues surrounding youth employment and STW transitions does arguably act as a facilitator for learning and innovation and for the spreading of policy ideas. In a similar vein, the presence of very well-developed **network of third sector training providers and charities working on youth issues** can also potentially facilitate the emergence of innovative localised practices which can then be spread further.
B) Policy learning and transfer mechanisms/channels

The UK has a long and well-established tradition of robust evidence-based policy making. Whilst this may not be framed in terms of policy learning as such by policy makers, policy evaluation practices are deeply embedded within the UK policy machinery and within the practices of the UK civil service. Evidence emerging from evaluations of existing policies is often taken into account in the design or re-formulation of programmes, and evidence of policy effectiveness originating from international sources also often forms the basis of policy design. For example, the Youth Contract (as well as the more intensive integrated additional support for disengaged 16-17 year-olds) have been designed in such a way as to take into account factors which have been shown by UK-based and international research to increase the effectiveness of a policy measure. However, this mainly takes place in relation to the fine-tuning of instruments at the programme level, rather than in relation to the direction of policy as a whole.

Indeed, whilst there is a large body of evidence and a great attention devoted to policy evaluation and trialling before introduction, and an increasing attention to lesson-drawing from international examples, it is questionable the extent to which this large body of knowledge actually penetrates policy-making practices at a deeper, strategic level. Some interviewed stakeholders (trade unions and employers organisations in particular) acknowledged that policy learning as a deliberate activity could and should be further developed and does not often take place to a great extent, as the evidence that is produced from evaluations is not consistently taken into consideration or used as much as it could.

Although the UK does look beyond its borders for policy innovation and learning, this typically means looking at other countries with similar/common Anglo-Saxon traditions, notably North America (the US and Canada), Australia and New Zealand. In contrast, the influence of the EU on policy development and learning tends to be more limited. It is well acknowledged by government and all major stakeholders alike that the EU and its policy recommendations do not exercise a big influence on the direction of policy change in the UK. Indeed, a recent government consultation into supranational influence found that, although the EU provided a helpful contribution to student mobility and language learning is impactful was limited in terms of policy development. That said, the UK is open to learning from individual EU countries. For example, its 2012 Richard review of apprenticeships in England was informed by experiences in the Netherlands, Switzerland, Denmark and Germany.

Both our stakeholders and existing literature confirm, other supranational organisations, notably the OECD, have traditionally exercised a critical role in the UK’s policy formation and transfer. For example, the OECD’s recommendation that well designed activation policies encourage the jobless, including unemployed youth, to find jobs has been fully adopted by the UK in all its active labour market policies (ALMPs), including those aimed at young people such as the Youth Contract.

Given the fact that the UK’s system of policy making has traditionally been voluntarist, by which is usually meant the abstention of the state from direct intervention, another key level for policy transfer is the use of benchmarking coupled with voluntary guidelines, codes of conduct, charters, quality ‘kite marks’, etc. In general, the advantage of voluntary over compulsory schemes is seen as an avoidance of unnecessary bureaucracy and regulation which might cause firms to either abandon or not offer programmes, including employment and/or training, aimed at young people. The government, including local government, and the regions engage in policy transfer especially, mainly through benchmarking, lobbying, employer consultations, and expert panels. Linked to the above is the peer-to-peer policy learning and transfer that is promoted by employer and other professional associations.

C) Approach to policy learning and innovation

The prevailing approach to both policy learning and innovation in the UK typically follows its traditional empirical, incremental and stepwise approach, at least in a number of policy areas. However, there are also instances where a more radical approach to policy learning and innovation
has been adopted. For example, at present there is a major VET reform in process which combines elements of both radical and incremental innovation. For example, by putting employers at the centre of the design of the education and training system, including VET, the Apprenticeship Trailblazers (which are part of the reform) represent a radical departure from the past when the VET/apprenticeship arena was dominated by training providers. Likewise, the recently introduced Traineeship Programme with its explicit aim of improving the basic and ‘soft’ skills of young people, so that they can then secure an apprenticeship placement and/or job is quite novel within the UK context and, according to stakeholders can be characterised as a rather radical change.

On the other hand, some of the youth-related policy changes currently under way are incremental such as the current expansion of apprenticeships (although, according to stakeholders, the aim is that in due course and, notably from 2017 onwards, this will lead to a more radical change in the area of improving intermediate/technician level skills). As was stated by our stakeholders, the way this policy and other youth-related policies are implemented is ‘typically British’ in that progress is made incrementally and organically; however, it is expected that, in due course, these changes will acquire momentum/critical mass and lead to a more radical change. The same incremental change through pilots, trailblazers and the ‘test, learn, adapt’ method to policy-making can be observed in other policy developments such as the Employer Ownership Pilots, the Youth Contract, etc.

Key words:

Youth policies; school-to-work transitions; policy innovations; policy learning; policy transfer.
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1. Introduction

1.1 Aim and organisation of the report

The report presents an exploratory analysis and discussion of the institutional aspects and social learning processes that are in play in the UK in relation to youth-related policies. In relation to these policies particular emphasis was placed on education and training; employment programmes and active labour market policies (ALMPs); welfare benefits; etc. In addition, special attention was paid to policy learning/transfer processes in operation in the UK together with the prevailing governance structures and actors.

The remainder of the report is organised as follows. In the next Section (Section 1.2), we provide a short overview of the methodological approach adopted for this report together with a brief description of the data sources used, the sample of interviewees, the interview focus and procedure followed. In Section II, we discuss the dynamics of policy change, learning and innovation from a macro-level perspective, including the overall governance and socio-economic structure; the policy learning framework; and the outputs from policy learning and change. In Section III, we discuss policy change across institutions and policies, notably employment, VET, and welfare policies. Section IV outlines the main conclusions.

1.2 Technical note

This report is based on a combination of primary and secondary sources. In relation to the former, the IES team conducted a number of interviews with key informants. In line with the WP4/Task 1 guidelines, our sample of interviewees comprise policy makers, social partners (employers’ associations and trade unions) and other relevant stakeholders such as the Human Resource Managers’ Association which is very active in the area of youth employment and STW transitions.

Because of devolution, responsibilities for youth-related policies are split between different levels of government: certain areas of policy are UK-wide, applying equally to all four nations, whilst others are remitted to Scotland, Wales, and Northern Ireland. For example, England and the devolved administrations of Wales, Northern Ireland and Scotland have their own policies on education and training, including apprenticeships, further and higher education (and NEET-related policies. Moreover, there is scope for in terms of policy learning and transfer between the four countries (Raffe, 2005). As a result, we sought to interview relevant informants, especially policy makers, in the devolved administrations. A list of our interviewees is given in

The procedure for setting up and conducting the interviews were as follows. First, the team identified the most relevant informants from the UK LAB and other contacts as well as from some key documentation. An email was sent to the identified informants explaining the project and the focus of the interview which was to explore the mechanisms of policy innovation and policy learning/transfer in the UK in the field of youth employment policy and STW transitions policy together with the associated key challenges, enablers and obstacles. To this end, the initial detailed interview template sent by WP4 leaders was adapted accordingly for both policy makers on the one hand and employers/trade unions and other stakeholders on the other (see Annex 1). The IES project administrator followed up the initial email and secured interviews with most of the informants. A member of the IES team conducted the interview. All interviews were recorded with the agreement of the interviewees. On the basis of these recordings, the IES team produced a summary for each interview which informed the analysis presented in the following sections.
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Table 1: UK Sample of Interviewees for Task 1

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Organisation</th>
<th>Type of Interviewee</th>
<th>Date of Interview</th>
</tr>
</thead>
<tbody>
<tr>
<td>Katerina Rüdiger</td>
<td>Head of Skills and Policy Campaigns</td>
<td>Chartered Institute for Personnel and Development (CIPD)</td>
<td>Human Resource Managers’ Association</td>
<td>19/1/2015</td>
</tr>
<tr>
<td>Narmada Thiranagama</td>
<td>Policy and Public Affairs Officer</td>
<td>UNISON</td>
<td>Trade Union</td>
<td>4/2/2015</td>
</tr>
<tr>
<td>Olly Newton</td>
<td>Apprenticeship Trailblazers Leader</td>
<td>Department for Business, Innovation &amp; Skills (BIS)</td>
<td>Policy Maker</td>
<td>9/2/2015</td>
</tr>
<tr>
<td>Rachel Smith</td>
<td>Labour market economist, CBI’s Employment and Skills Directorate</td>
<td>Confederation of British Industry (CBI)</td>
<td>Employers’ Association</td>
<td>20/1/2015</td>
</tr>
<tr>
<td>(spoke in the place of Lena Levy, Principal Policy Adviser, Employment and Skills Directorate)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nick Srdic</td>
<td>Head of Youth Employment</td>
<td>Welsh Government</td>
<td>Policy Maker</td>
<td>26/1/2015</td>
</tr>
<tr>
<td>David Broadhurst</td>
<td>Head of the Review of Youth Training</td>
<td>Department for Employment and Learning (DELNI), Northern Ireland Executive</td>
<td>Policy Maker</td>
<td>3/2/2015</td>
</tr>
<tr>
<td>Carl Roper</td>
<td>TUC National Organiser &amp; Senior Policy Officer for Young Workers</td>
<td>Trade Union Congress (TUC)</td>
<td>Trade Union</td>
<td>5/3/2015</td>
</tr>
<tr>
<td>Richard Exell</td>
<td>TUC Senior Policy Officer for Youth Employment</td>
<td>Trade Union Congress (TUC)</td>
<td>Trade Union</td>
<td>9/3/2015</td>
</tr>
<tr>
<td>Priya Bali</td>
<td>Research Analyst</td>
<td>Department for Education (DfE)</td>
<td>Policy Maker</td>
<td>11/3/2015</td>
</tr>
<tr>
<td>Professor Ewart Keep</td>
<td>Academic specialising in the role of education and training in STW transitions</td>
<td>Department of Education, University of Oxford</td>
<td>Academic Expert</td>
<td>24/3/2015</td>
</tr>
<tr>
<td>Christine Creig and colleagues</td>
<td>Youth Transitions Team</td>
<td>Employability and Skills Division, Scotland’s Skills Unit, Scottish Government</td>
<td>Policy Maker</td>
<td>14/4/2015</td>
</tr>
</tbody>
</table>

In addition, the IES team undertook a comprehensive review of relevant documentation, including policy documents (both national and, where relevant, EU/international such as the various Eurofound Comparative Analytical Reports for the UK and the Commission’s Education and Training Monitor
2014 for the UK); academic publications; articles/papers/reports prepared by a wide range of relevant actors such as social partners, think tanks, research institutes; media articles; etc. The IES team also drew on the two previous notes that were prepared as part of the preparatory work for WP4 Task 1 in May and July 2014 respectively. A detailed list of the references used can be found in the Annex.
2. Dynamics of policy change/innovation: the macro-level perspective

2.1 Governance and socio-economic structure

2.1.1 Structural obstacles and enablers of innovation

Existing governance structures in the youth employment policy field in the UK are multi-level; the regional administrations have responsibility over certain element of policy relevant to youth transitions, balanced with a prominent role played by UK-wide institutions such as the Department for Work and Pensions (DWP) and Jobcentre Plus (JCP) (Atkinson, 2010). This leads to an interesting situation wherein each region develops youth policy, which often takes on a different character depending on regional context; the devolved structure can be seen as enabling innovation in a localised context. Examples of regional innovations include the national youth work and youth employment strategies of Scotland and Wales, whilst policy transfer in England benefits from the cross-departmental Positive for Youth Strategy, a broad range of policy measures that brings together numerous government departments (Education Scotland, 2014; Welsh Assembly Government, 2013; Department for Education, 2011).

Responsibilities for different aspects of youth employment policy in the UK are split not only between the national level and the devolved administrations, but also between different ministries. In particular, the Department for Work and Pensions retains responsibility for all welfare measures (across the whole of the UK); skills and training policy is devolved to the national administration, with the UK government retaining responsibilities for England. In this respect, responsibilities for young people aged up to 19 lies with the Department for Education, whilst post-19 the responsibility falls within the Department for Business, Innovation and Skills. This leads to a situation of rather fragmented governance. On one hand, this acts as a driver or enabler of innovation, as each ministry and devolved administration is incentivised and has the autonomy to develop new policy solutions and instruments rather autonomously, and often in competition with each other; on the other hand, this may seriously hamper the effectiveness of new policy solutions, as it leads to a lack of a comprehensive, joined up strategic approach between various arms of government, and thus act as a structural obstacle to effective innovation in the long run.

The high level of involvement of third sector providers in the delivery of policy interventions at the local level can also be considered a structural feature of the governance model of the UK’s labour market policy. The element of competition embodied in this model is seen as key to driving policy innovation in the UK, especially for what concerns the delivery of services and active labour market policy programmes. To this end, public, private, and third sector organisations are all involved in policy development as partners/stakeholders, with the caveat that contracts are carefully designed and risks balanced and managed (Atkinson, 2010). In particular, the adoption of payment-by-results model in the governance of active labour market policy has often been identified as a driver of innovative practice. Lessons from this have been drawn from abroad, specifically Germany, New Zealand, Australia, and the Netherlands, demonstrating an openness to overseas influence that can be seen as an enabler of policy adoption and transfer (Atkinson, 2010). Partners/stakeholder themselves tend to view this focus on competition and choice as a driving force of innovation,
particularly in the context of the devolved administrations, but have expressed concerns that more guidance is needed from central government to promote and support such innovation and facilitate the sharing of good practice (Atkinson, 2010).

2.1.2 Aspects in the policy environment conducive to policy transfer.

As a unitary state comprising a central government and three devolved national administrations (Scotland, Wales and Northern Ireland), the UK is set up for dialogue between the administrations that can result in policy transfer and innovation, as well as in the sharing of best practice between them.

Traditional mechanisms of policy-making in the UK lean towards strong evidence-based policy learning and outcomes, and bundled in this is a strong tradition of research and evaluation at regional, national, and international levels (BIS, 2013). This attention towards evidence originating from various arenas – including the international one – can be considered as conducive to policy transfer from abroad, although some stakeholders point out that the way in which this happens in the UK is usually fairly ad hoc and not often based on a particularly careful consideration of the background conditions that can facilitate the success of a transferred measure, but rather on politically motivated grounds.

There have been examples of the UK adopting best practice from abroad, such as the Netherlands wage subsidy scheme (Crowley et al, 2013). Stakeholders interviewed noted examples of best practice being adopted from other countries, both within and outside the EU, but acknowledged that best practice tended to be adopted from specific countries (such as Australia, New Zealand, the United States, Germany and the Netherlands) rather than from supranational institutions – and especially not from the European Union. A government consultation into supranational influence found that the EU provided ‘a helpful contribution to student mobility and language learning, but limited in terms of policy development’ (BIS & FCO, 2012).

In terms of policy transfer, stakeholders interviewed suggested international transfer does not happen in the UK as often as perhaps it could or even should. Internally, however, local governments and the regions do engage in policy transfer. A good example of this is benchmarking, commonly used in a variety of youth policy arenas. For example, in England and Wales, education is directed at a local level in the form of Local Educational Authorities (LEAs) who enjoy considerable autonomy in various educational matters in their jurisdiction. Policy transfer occurs between them in the form of benchmarking of funding, with local authorities planned expenditures and budgets made public annually (EFA, 2014). Similar guidance is available to colleges (SFA & EFA, 2013). In recent years, schemes rewarding and promoting best practice in youth unemployment have also been adopted. In 2011, 12 companies were nominated as social mobility ‘champions’ who demonstrated good practice in ‘developing relationships with schools and young people, targeting efforts on institutions with above average levels of disadvantage, widening the geographical spread of opportunities, and offering well-structured non-graduate entry-routes and driving forward recruitment practices that eliminate barriers to social mobility’, and this feeds into the ‘Social Mobility Business Compact’, a scheme that businesses can apply to be a part of to share best practice in social mobility and showcase their own successes; currently around 180 have done so (ODPM/BIS, 2014).

2.1.3 Role of a decentralised structure on promoting knowledge diffusion.

The extent to which decentralisation favours policy innovation and knowledge diffusion is a debated aspect in the UK, also in virtue of its particular devolved governance structure.

On one hand, many stakeholders interviewed observed that decentralisation and devolution of policy-making is highly beneficial in the UK context. Indeed, given that economically, politically, and socially,
the nations (and indeed regions within them) are highly diversified, ‘blanket policies’ tend to not be particularly effective.

For this reason, the nations have considerable autonomy in the realm of youth unemployment, and can develop their own youth strategies and consult supranational or international bodies. All three devolved nations of the UK (Wales, Scotland and Northern Ireland) have developed their own policy solutions and schemes to address the youth unemployment crisis, borrowing from different areas and countries. This suggests that regional decentralisation does indeed favour policy innovation in the UK.

Scotland and Northern Ireland demonstrate the most obvious examples of policy transfer and innovation, through a programme funded from the EU’s Youth Employment Initiative and consultation with the OECD respectively (Scottish Government, 2014; McDonagh et al, 2014). Wales developed its own strategy similar to the Youth Guarantee entitled ‘Jobs Growth Wales’, providing unemployed young people aged 16-24 with a job opportunity for a six month period, paid at or above the national minimum wage for a minimum of 25 hours per week and a maximum of 40 hours, which has created just shy of 17,000 jobs (Statistics for Wales, 2015).

Furthermore, Scotland also displayed one of the more innovative examples of strategic approach to the youth unemployment policy problem, by creating in 2013 the Wood Commission for developing Scotland’s young workforce. This was an independent commission made up of representatives from both the education and employment world, independent from Government and tasked with making recommendations to the Scottish government designed to improve transitions of young people into employment. It was particularly innovative as it was characterised by a unified, strategic approach to the question of youth transitions which is otherwise arguably absent in the UK’s government policy approach, and it was crucially facilitated by policy decentralisation in the form of devolution.

However, there are also limits to the extent to which decentralisation can act as a driver of innovation. Indeed, interviewees from the devolved administrations – in particular Wales – have emphasised that different levels of budgetary autonomy and fiscal capacity can act as a serious limit in the capacity of the devolved administration to implement innovative policies. In this respect, the fact that the Scottish government had access to a much larger budget than, for example, the Welsh one was identified by one academic interviewee as a key source of difference in innovation capacity between various regions. Furthermore, there is limited evidence to suggest that devolution also acts as a conduit of knowledge diffusion between regions and devolved administration themselves.

Despite the opportunities for policy innovation offered by devolution, the UK policy framework is also arguably characterised by an excessive degree of centralisation in certain policy areas. The pervasive nature of actors such as think tanks mean that party politics and national level policy are still at the forefront of decision making and act as major conduits of knowledge diffusion (Wells, 2012). This results in the fact, lamented by some of the interviewed stakeholders, that often policies originating from the UK government do not pay sufficient attention to the localised differences in circumstances across regions within the UK – and particularly within England. In this respect, consulted stakeholders from trade unions and third sector organisations were generally in agreement in pointing out that the reduction in the autonomy of local authorities as agents of delivery of support programmes for young people on part of the central UK government was a step backward, as it had taken away an important source of local policy innovation which facilitated the tailoring of solutions to local circumstances.

2.1.4 Major socio-economic structural shifts reducing the number of jobs for young people, framing of the problem and solutions by major stakeholders.

The problems young people face in the STW transition in the UK are fairly long-standing and arguably structural, but were exacerbated by the Great Recession of the late 2000s. The issues around the question of youth employment in that Recession manifested themselves a twofold; as well as fewer
jobs opportunities available in general, this has been increasingly accompanied by lower job security, with a decline in the prevalence of a ‘job for life’ (Lewis, 2014) and an increase in precarious and unstable employment relations. In the UK, the unemployment rate peaked at around 20% in 2012 due to young people being more vulnerable to downturns, although in recent years this has fallen sharply, mirroring the broader economic recovery (Davies and Hough, 2015). However, this increase in employment rates is largely driven by growth in low-paid, low-quality jobs.

Stakeholders suggested that this higher vulnerability of young people to unemployment in the crisis phase occurred because of two reasons; higher unemployment increased competition on jobs, advantaging those with more experience, and low skilled jobs, traditionally taken by younger workers, were reduced in number. However, there is evidence to suggest that this issue is not just cyclical, but structural. Some stakeholders in interviews have emphasised how the UK labour market has undergone major structural shifts, with a marked decrease in entry level roles, fundamental changes in employers’ preferences (with employers arguably having ‘lost the habit’ of taking young people straight out of education and being willing to invest in their skills development), and a general polarisation of the employment structure which has made transitions into employment inherently more risky and precarious.

The framing and understanding of these issues amongst different actors, however, differ widely, and arguably influence deeply the design of policy solutions.

In general, the UK government has tended to privilege an interpretation of the structural causes of youth unemployment to lie on the supply-side. In this sense, the focus has been placed on the education and skills system arguably not producing ‘the right kind of young people’, i.e. not equipped with the adequate skills set to enter the world of employment, and interventions have focused on attempts to increase the quality and relevance of education and strengthening the links between the education system and employers. This is reflected in the solutions which are also advocated by interviewed employers’ representatives, who argue that more contact and engagement between employers, schools and universities can act as a way to smooth transitions and resolve issues of skills mis-matches which are so predominant in the UK economy. This interpretation is also reflected in the government's approach to vocational education and training (VET).

A sweeping government revamp of apprenticeships was launched in the form of the Richard Review (2012), which found that apprenticeships needed to be more ‘employer-relevant’, providing skills directly relevant to a job (BIS, 2012). To this end, employer engagement has been increased, as they can now help design apprenticeships themselves via the so-called Apprenticeship Trailblazers. Eight employers initially helped develop a concise, comprehensive framework for the new apprenticeships, and over time this has grown; there are now around 75 sectors and 1,000 employers involved in the framework for the development of new apprenticeship standards. It is hoped by the government that this will increase and the model will become the norm over the next few years, described by one interviewee as ‘evolution rather than revolution’. It is also hoped that the provision of higher level and quality apprenticeships will help address the UK’s perennial problem of an ‘intermediate skills deficit’. However, other stakeholders – especially trade unions – offer a rather different interpretation of the structural problems facing young people in the STW transition in the UK, claiming that the attention on supply side policies which have become the norm in the UK since the 1980s has led to a disregarding of the structural issues pertaining to the demand-side – especially for what concerns employers’ preferences and behaviours, and towards a diffidence for interventions focused on changing this and stimulating greater demand, encouraging employers’ investment in training and skills and intervening through re-regulation to increase employment quality and security for young labour market entrants.
2.1.5 Polarisation of the skill employment structure: impact on youth employment

Many stakeholders described a ‘hollowing out’ of the labour market, with a decreasing share of mid-level jobs, as a major structural trend affecting youth employment opportunities in the UK labour market. The Confederation of British Industry's 'Better off Britain' report outlines this, the essence of which is that middle-level jobs haven't been disappearing, but rather require higher skill levels to take up in the first place (CBI, 2014). From a trade union perspective, one stakeholder stated that the confinement of young people to low-paid, low quality employment was a key issue, as it facilitated people being in work and still not earning enough to make a decent living, which is not acknowledged by employment figures, and also led to problems of scarring for young people who made the entry into the labour market at the ‘lower end’ and then remained stuck into a secondary segment of the labour market. Common explanatory factors for the process of employment polarisation are technical progress, skills-biased technological change and offshoring, while between 1990 and 2010 the employment share of those in mid-level jobs fell by eight percentage points (MAC, 2014).

The government seems to not see this as a key issue, however. A recent review of the UK’s labour marker structure and trends concludes that even though intermediate jobs ‘may be declining in number, new intermediate-ranked jobs can emerge’ but acknowledges it is ‘necessary for individuals to receive education and training required to prepare them for the intermediate jobs that exist now, with more research needed to identify them’ (BIS, 2013e). This lack of acknowledgement of the structural shifts affecting the UK labour market as a structural cause of youth unemployment was identified by one academic interviewee as one of the major shortcomings of the UK government’s policy approach, which prevented the implementation of structural interventions and favoured instead a myopic excessive focus on supply-side solutions.

2.1.6 Relevance of an education-driven ‘supply-push’

A supply push, described as ‘expansion of publicly-funded education and training triggering a step change in employers’ product market and competitive strategies that shifts large sections of the economy up-market’, has been acknowledged by the government for some time, with comprehensive recommendations first outlined in 2002 still echoing loudly today (Keep, 2012; HM Treasury, 2002). In particular, this was identified by one interviewed stakeholder as the underlying objective which underpinned the 2004 Leitch Review on Future Skills Needs in the UK, commissioned by the UK Government to identify emerging skills challenges and design responses up to 2020.1

2.2 The policy learning framework

2.2.1 Policy learning as a major theme on in the policy agenda

The UK has a long and well-established tradition of evidence-based policy making. Whilst this may not be framed in terms of policy learning as such by policy makers, policy evaluation practices are deeply embedded within the UK policy machinery and within the practices of the UK civil service. Evidence emerging from evaluations of existing policies is often taken into account in the design or re-formulation of programmes, and evidence of policy effectiveness originating from international sources also often forms the basis of policy design. However, this mainly takes place in relation to the fine-tuning of instruments at the programme level, rather than in relation to the direction of policy as a whole.

1 http://www.delni.gov.uk/index/publications/pubs-further-education/the-leitch-review-of-skills.htm
At the national level, a large and growing body of research and evaluation evidence of past and current policy measures and programmes is customarily produced. This is supposed to inform the design or reviewing of specific programmes and policy instruments. In the field of employment and education policy, where many different programmes have been introduced and trialled over the past decade, the available body of evidence arising both from government-commissioned evaluations as well as independent research is especially large.

This is particularly true at the central, national level, in policy areas for which the UK government holds responsibility, but it is also increasingly true for the devolved administrations of Scotland, Wales and Northern Ireland, all of which also commission their own independent evaluations of their own policy programmes. Representatives of the UK Department for Education and Department for Business, Innovation and Skills and of the Welsh and Northern Irish Assemblies interviewed as part of this project were keen to emphasise the importance of evidence originating from previous evaluations and pilots in the design of current programmes and interventions aimed at tackling youth unemployment. The interviewee from the Welsh government also stressed how, in the context of current budgetary constraints, evidence relating to value for money of different policy instruments – such as cost-benefits analysis and analyses of Returns-on-Investment (ROI) – were particularly valued by policy makers as bases for decision-making.

There are indeed various, recent examples in which evidence from previous evaluations and wider knowledge has been used to inform programme design in the field of youth employment policy. For example, evaluations in the UK consistently have highlighted the following: (i) the critical role played by personal advisers who support unemployed people, including young people, to access job opportunities and act as the gateway to further support for those that need it; (ii) the need for flexible, carefully targeted provision that can be tailored to the needs of each unemployed young person; and (iii) the need for a strong rights and responsibilities agenda backed up by an effective sanctions regime (activation) (BIS, 2013). As a result, one of the current government’s flagship measures to tackle the phenomenon of young NEETs, the Youth Contract (as well as the more intensive integrated additional support for disengaged 16-17 year-olds) have been designed in such a way as to take into account these factors which have shown to increase the effectiveness of youth re-engagement programmes.

Before a new policy is widely implemented and introduced across the board, it is also customary for both the UK government and the devolved administrations to have it piloted through the provision of ‘safe spaces’ for testing innovations and managing their risks within defined parameters. A variety of methods is used to that effect, including Pilots, Pathfinders, Controlled Experimentation and Zones. In the last decades pilots have increasingly been used to test new ideas and policy proposals (Mulgan and Albury, 2003). For example, the former Government’s flagship programme New Deal for Young People was initially implemented in a small number of areas which allowed for quick learning about potential difficulties ahead of wider national implementation. There is also a growing popularity of Randomised Controlled Trials to test the efficacy of different policy instruments before their large-scale introduction. An example of this is the current on-going pilot of the so-called 18-21 Work Skills programme, on which young benefit claimants without an adequate qualification level in English and Maths are mandated to undertake intensive training through different formats. The pilot has first been introduced in different regions in the UK and subject to a rigorous on-going evaluation which will then inform the future outcomes of the policy.

In the aftermath of the crisis, the public policy debate has, according to some stakeholders (e.g. CIPS, UNISON), also been increasingly informed by attention devoted to international ‘best practice’ examples. Indeed, it appears that when hit by the ‘shock’ of increased youth unemployment post-2008, government and stakeholders alike (especially employer organisations) have started to consider what lessons could be learnt from abroad when shaping the UK response to youth unemployment much more than it was previously the case. Stakeholders from unions and employers organisations cited the example of apprenticeship policy as an area in which considerable learning
had taken place, significantly informed by experience arising from abroad, to move towards a higher quality model of apprenticeship provision.

However, whilst there is a large body of evidence and a great attention devoted to policy evaluation and trialling before introduction, and an increasing attention to lesson-drawing from international examples, it is questionable the extent to which this large body of knowledge actually penetrates policy-making practices at a deeper, strategic level. Some interviewed stakeholders (trade unions and employers organisations in particular) acknowledged that policy learning as a deliberate activity could and should be further developed and does not often take place to a great extent, as the evidence that is produced from evaluations is not consistently taken into consideration or used as much as it could.

It appears that whilst large bodies of evidence about policy effectiveness are customarily produced, this knowledge is not fully utilised, and the direction of policy as a whole is still politicised and driven by ideological commitments and inter-party competition rather than by processes of careful and deliberative policy learning as such. Especially in the field of youth employment policy, it can be argued that the level of policy innovation in the aftermath of the crisis has been particularly high – with numerous new initiatives being introduced especially in the field of ALMPs and apprenticeships. Whilst this leads to an overall impression of ‘policy busyness’, this may not necessarily be informed by actual learning. Indeed, the two trends may be counter to each other, as fast and constant reform activity (largely driven by political concerns) may not be compatible with careful consideration of what may or may not work in practice, or be desirable in a macro-, longer-term perspective.

This tendency of the UK policy machinery of producing evidence without actually learning from it is highlighted also in the academic literature on the topic: for example, Raffe and Spours (2007) discuss the so-called ‘failures of policy learning’ in the UK 14 to 19 education policy field, and point to the repetition – time and time again – of previous mistakes, largely driven by the politicised process of governance which characterizes UK policy making, even in the presence of large bodies of evidence on the topic and the nominal government commitment to evidence-based policy making. Likewise, an academic interviewed as part of this project also highlighted how the government policy machinery in the UK is not geared towards learning – despite the large amount of evidence that it customarily produces – because the process of policy making is aimed, overall, at ‘keeping ministries happy’ rather than to addressing issues in a coordinated and structural manner.

i. ‘Developers’ and ‘facilitators’ of innovation

Government and the civil service are, arguably, one of the main ‘developers’ of innovation with regard to youth employment policy in the UK, especially for what concerns the design of new programmes. An interviewee from within the UK Department for Education, as well as representatives from the Welsh, Scottish and Northern Irish government, all stressed that new policy ideas at these different levels of governance are often generated within the civil service in response to ministerial requests. One academic interviewee however questioned the ability of the UK civil service to produce policy innovation that is actually strategic and able to respond to the structural challenges faced by the UK labour market and youth transitions system, and pointed instead to the fact that the policy ideas developed within government are often short-termist in nature.

The UK Commission for Employment and Skills (UKCES), a non-departmental public body funded by the government and strategically led by industry representatives, was identified by one academic respondent as one of the main producers of innovative knowledge and strategic analysis on labour market and employment issues in the UK – but the extent to which their analysis and policy proposals are able to actually influence government policy was also questioned.

In this respect, the role of lobbying – especially on part of employers’ organisations and industry bodies – was also highlighted by stakeholders (CIPD, CBI) as well as government officials (BIS) as a particularly important ‘source’ of policy innovation. In particular, the Conservative – Liberal Democrat
government (in office between 2010 and 2015) has explicitly sought to pitch itself as ‘business-friendly’ and growth-oriented, hence giving particular weight to the policy preferences of vocal employers’ organisations such as the Confederation of British Industry, the British Chamber of Commerce as well as of large employers, who have arguably significantly influenced the direction of policy change – especially in the field of apprenticeships and vocational education – towards a greater level of ‘employer ownership of skills’.

In the last decade, development of policy innovation in the UK has also been significantly aided by the practice of ‘independent reviews’ and ‘White Papers’, i.e. independent enquiries into specific policy areas led by independent experts appointed by the government for the task. Commissioned by government, these are often carried out by high-profile experts either from academia or the business or policy community, who seek inputs and consult with wide echelons of civil society, stakeholders, experts etc. and produce specific policy recommendations for government. These reviews have produced recommendations on a large number of policy areas with high relevance to SWT transitions: important examples which over the last decade have significantly impacted upon the direction of government policy in the area of STW transitions include the 2004 Leitch Review of skills, the 2011 Wolf Review of vocational education for 14 to 19 years of old, the 2013 Richard Review of apprenticeships. Their recommendations have often triggered far-reaching policy reconfiguration, and this was widely acknowledged by all stakeholders consulted in interviews as an important source of innovation. However, the degree to which specific recommendations tend to be more or less welcomed by governments depends also on the degree of consonance with the existing government’s political agenda, as well as with the dominant consensus of public opinion.

The dense and well-developed networks of think tanks of various political inclinations and independent research bodies and foundations which populate the UK policy community also act both as developers and facilitators of innovation, by producing their own research and policy recommendations and by lobbying government for the adoption of specific policy solutions. The research and strategic thinking developed by the CIPD (professional body for HR) and the general Trade Union Confederation (TUC) was also identified by one academic respondent as one of the most promising sources of innovative knowledge and analysis in the field of youth employment, although again the extent to which this is able to influence policy making within central government is limited.

Generally speaking, lobbying in the UK – also on part of trade unions - is very important both to the introduction and the spreading of new policy ideas in the UK – an aspect emphasised by all stakeholders interviewed. Feedback from stakeholders suggest that their ability to actually influence policy makers, however, depends crucially on their strategic linkages with parties and ministers and on the strength of their lobbying machines – hence suggesting that power dynamics still play an important role in the process of spreading of policy innovation. In recent years, due to the political orientation of the current government, this has meant that the influence of trade unions as drivers and facilitators of policy innovation has been fairly constrained, with a much more prominent role played by employer organisations instead.

A relevant example of policy change are the Apprenticeship Trailblazers (discussed in more detail in Section II.3) which show how the idea of greater employer ownership came simultaneously from the Richard Review and lobbying from employers but how the details of the policy have still been worked out within BIS, i.e. the UK Government. Local authorities and the devolved administrations have also been acting initiators of innovation in the UK. Indeed, policy devolution gives the national assemblies of Wales and Northern Ireland and the Scottish government the capacity to act as developers of innovation, and all three governments have indeed introduced their own autonomous strategies to deal with various aspects of youth employment policy and SWT transitions. However, the interviewed representative of the Welsh government lamented that a lack of power in certain policy areas as well as severe budgetary constraints means that their capacity to actually innovate ‘as much as they would like to’ is limited within the current governance contexts.
2.2.2 Recent cases of policy development with a focus on STW transition

See above and section 2.3

2.2.3 Main channels of policy diffusion from supranational bodies

It is well acknowledged by government and all major stakeholders alike that the European Union and its policy recommendations do not exercise a big influence on the direction of policy change in the UK. There is, in general in the UK policy community, an engrained resistance and diffidence towards policy diffusion and policy recommendations originating from EU bodies. This wider structural trend pervades across all policy areas, and is particularly evident in the field of youth employment policy as well. An academic interviewee suggested that the reasons behind the general diffidence of UK policy makers towards recommendations and guidance generating from the European Union is routed in a politically motivated fear of external control and influence. Given the UK’s historically peculiar relationship with the EU, it was suggested that UK policy makers are reluctant to accept any level of influence from the EU for fear that that may establish a ‘precedent’ of some kind which may then expand to other policy areas in which UK national sovereignty is closely guarded.

A clear example of this disregard towards EU guidance is offered by the UK government decision to explicitly not take steps to implement a Youth Guarantee in response to the 2013 Recommendation from the European Council. Even in the case of Wales, where a package of initiatives very similar in nature to the EU Youth Guarantee have been introduced in 2014 (the Youth Guarantee and the Jobs Growth Wales initiative), the European Youth Guarantee model was not recognised by the interviewed policy maker as a particularly significant source of innovation.

ESF funding in England is also used largely to support already existing government’s policy agendas, rather than acting as a source of policy influence and innovation in itself. In particular, ESF funding is currently distributed to Local Enterprise Partnerships (LEPs) as part of the Growth Funds, who are required to present action plans for utilisation of the funding in which the main focus is largely on investment in skills infrastructure. In this respect, ESF funding is used to further already existing government policy objectives, in particular the current government’s ‘Employer Ownership of Skills’ agenda which is driven by the ‘Skills for sustainable growth’ policy strategy.

At a supranational level, the UK pays instead more attention to recommendations arising from the OECD, although again these are adopted on a rather voluntaristic and ad-hoc basis. For example, the OECD’s Jobs strategy, especially the pillars on the need to (i) remove impediments to labour market participation as well as job-search and (ii) facilitate the development of labour force skills and competencies are seen by the UK government as being directly relevant for effective STW transitions of young people (BIS, 2013).

Furthermore, the OECD’s recommendation that well designed activation policies encourage the jobless, including unemployed youth, to find jobs has been fully adopted by the UK in all its active labour market policies (ALMPs). Including those aimed at young people such as the Youth Contract. Such policies combine measures to assist job search and improve job readiness, backed up by appropriate requirements to participate in employment and training programmes (BIS, 2013). Likewise, the new national careers services model in England which has clear implications for the STW transition of young people has drawn from international best practice as highlighted by the OECD Career Guidance Policy Review (OECD, 2004; Watts, 2010). The reason why the UK tends to accept more recommendations and influence from the OECD rather than the EU was attributed by one academic interviewee to the fact that the OECD is perceived, by UK policy makers, as a source of international benchmarking data. In this respect, the UK policy machinery considers positive performance in the OECD comparative league tables as a source of prestige, and for this reason is more open to penetration of policy ideas originating from it. When compared with the EU, the OECD
also has the added ‘benefit’ – in the eyes of the UK policy makers – to not be perceived as a source of threat on national autonomy and sovereignty.

2.2.4 Importance of peer-to-peer policy learning/transfer among social actors

Given the fact that the UK’s system of policy making has traditionally been voluntarist, by which is usually meant the abstention of the state from direct intervention, another key driver for policy transfer and policy learning is the use of benchmarking coupled with voluntary guidelines, codes of conduct, charters, quality ‘kite marks’, etc. In general, the advantage of voluntary over compulsory schemes is seen by government and employers stakeholders as an avoidance of unnecessary bureaucracy and regulation which might cause firms to either abandon or not offer programmes, including employment and/or training, aimed at young people (Panel on Fair Access to the Professions (2009)).

For example, the UK typically adopts a more voluntaristic approach to the quality assurance of traineeships/internships. In sharp contrast to France which, since 2006, stands out as a country which adopted an explicit ‘regulated’ approach to traineeships through a raft of laws, the UK has opted for voluntary guidelines and good practice advice. These can be found in an Internship Charter and a Code of Best Practice for Quality Internships (European Commission, 2012).

Linked to the above is the peer-to-peer policy learning and transfer that is promoted by employer and other professional associations. For example, the Chartered Institute for Personnel and Development, which is Europe’s largest Human Resource Management and Development professional body with over 135,000 members across 120 countries, produced an ‘Internship Charter’ aimed at promoting quality traineeships. The CIPD recommends that organisations offering traineeships should adhere to this Charter which serves as a voluntary code of practice (European Commission, 2012).

The CIPD has also been involved in developing a large-scale campaign encouraging employers to take action to tackle youth unemployment by giving employment opportunities to young people, called the ‘Learning to Work’, which largely relies on peer-to-peer spreading on good practice to change employers’ behaviour. Likewise, the CBI, the UK’s large employers’ confederation is actively involved and supporting the 5% Club which is an industry-led initiative aimed at addressing youth unemployment and the chronic skills shortages. The 5% Club members are large companies who have signed up to 5% of their UK workforce being young people on structured training schemes over the next five years, which includes apprenticeships. As such, they work closely with the Government in reforming the apprenticeship system so that it becomes a truly demand-led scheme by promoting the exchange of ideas and sharing good practice.

ii. Conditions that prevent or facilitate learning

At the national level, the following conditions can be identified as factors that prevent policy learning on part of policy makers and major stakeholders. These are identified both from interview evidence as well as from existing literature on the topic, and relate both to ‘objective’ conditions as well as to more ‘cognitive’ factors.

First of all, risk aversion on part of policy-makers can act as a major barrier to learning and, consequently, innovation. Indeed, since the 1980s onwards, the ideological commitment to a ‘slim’ state and towards minimal government regulatory intervention, as well as more recently the turn towards ‘employer ownership’ of skills and growth means that UK government has been always very reluctant to consider policy solutions that may a) place greater regulatory burden on employers especially; b) be perceived by the public as an increase in government’s interference in various areas of economic life. Trade union representatives interviewed highlighted how this has meant that policy
change towards greater emphasis on demand-side policy and re-regulation of employment protection to reduce precarious, bad quality employment has been explicitly avoided by government despite evidence suggesting that the current sole focus on supply side policies may not be leading to the desired results in terms of achieving sustainable quality employment for young people. This point was also reiterated by one academic interviewee, who pointed out how the UK government (especially in England) has systematically avoided considering demand-side policies in dealing with the youth unemployment question, because of an ideological aversion towards intervening on employers – which is perceived as a too difficult and politically risky measure.

Related to this point is the issue of **inter-party competition**: again, the fairly polarised nature of the political debate and electoral competition for office in the UK means that successive governments have an incentive to push for and implement policy solutions which fit ideologically with their manifesto commitments, without much scope for ‘learning’ to take place, especially in those cases when ‘evidence’ goes counter to public perceptions or in cases where specific changes may extend beyond the 5 year lifetime of a parliament. This leads to a problem of short-termism in the design of policy, with obvious implications for processes of learning.

Another condition preventing learning is, arguably, the dynamics arising from **inter-departmental competition and fragmentation of responsibilities**. The fact that different government departments have responsibilities for different age groups and areas of policy affecting youth, and are led by different ministers with sometimes conflicting policy agendas, results in a situation in which at times government departments seek to push their ‘own’ policy priorities and defend their institutional power resources at the expenses of collaborative learning and spreading of good practice. The fact that different areas of responsibility are ‘siloed’ between different departments, agencies and bodies according to age target group and so on (e.g. split between the Department for Education, Department for Business, Innovation and Skills and the Department for Work and Pensions) as well as different funding agencies within each department) also potentially limits the possibility for organic learning and lesson sharing.

The impact of the 2008 crisis and the ensuing Great Recession appears to have acted at once both as a facilitator and a preventive factor for policy learning to take place. On one hand, interviewees from employers’ organisations in particular suggested that the exogenous crisis shock with the ensuing rise in youth unemployment has resulted in an increased willingness on part of employers in particular, as well as government, to consider new policy solutions to tackle the issue, with an increased attention to lessons that could be drawn from abroad especially. However, interviewees from trade unions and academia in particular emphasise that this has also led in some cases to ‘hasty’ process of policy-making in which solutions have been implemented quickly, possibly without particularly careful consideration of whether the necessary pre-conditions for their success existed in the British context, and others have been scrapped (such as, for example, the Future Jobs Fund) again without careful consideration. This has for example been the case with the Wage Incentive component of the Youth Contract, which was introduced by the government in 2012 but failed to attract employers’ interest in any substantial form.

Respondents from trade unions organisations and academia also stressed how the **dominant interpretative frames which were adopted by government and employers alike** when conceptualising the main causes of the youth unemployment problem also act as potential ‘cognitive’ barriers to learning. In this respect, respondents emphasised how the obsession with ‘supply-side’ explanations of the youth unemployment problem (with its associated focus on lack of job-readiness, young people having insufficient skills and so on), which has dominated government’s and employers’ discourse on the matter over the last few years, has led to a systematic ignoring of alternative policy solutions more focused on demand-side policies, which have instead been consistently avoided in the British context as a potential solution. One interviewee described this as a case of ‘cognitive dissonance’ affecting the UK policy machinery, in which the analysis of the structural problems facing the UK labour market put forward by the government is systematically biased towards supply-side
solutions and thus ignoring the evidence which points instead to the need to focus on demand-side, more structural interventions as well.

The existence of a very well developed and ‘crowded’ policy community, with very well developed networks of think tanks and numerous research organisations producing knowledge on issues surrounding youth employment and STW transitions does arguably act as a facilitator for learning and for the spreading of policy ideas. In a similar vein, the presence of very well-developed network of third sector training providers and charities working on youth issues can also potentially facilitate the emergence of innovative localised practices which can then be spread further.

Government respondents argued that the introduction of a ‘payment-by-results’ model of delivery for its main flagship ALMP programme for youth, the ‘Youth Contract’, and other welfare-to-work programmes such as the Work Programme should in theory function as a facilitating condition for learning and spreading of good practice, by encouraging providers to adopt innovative solutions and learn flexibly from theirs and other providers’ experience about what type of practices work best, according to local conditions, to re-engage disadvantaged young people. However, the fact that providers have been required to ‘compete’ with each other to win contracts for delivery of these programmes may have, in turn, acted as an obstacle to learning and peer-to-peer sharing of best practice, by introducing a marketised logic of competition in their working practices and in their delivery model.

At the regional level, devolution of powers to the nations has arguably created good, conducive conditions for policy learning. Indeed, the creation of national, more localised policy-making machineries facilitates easier spreading of good practice and more careful consideration of emerging evidence from previous experiences and from policy implementation at the local level in the design of new programmes. In this respect, the example of Wales emerged, according to the perspective of the government interviewee as a particularly positive one – with a lot of information sharing between the 22 local authorities. The respondent from the Northern Ireland assembly also emphasised similar positive dynamics of policy learning facilitated by devolution and a more localised approach to policy making as being at play in Northern Ireland, although it was emphasised that this was largely a work-in-progress especially for what concerns dynamics of tripartite dialogue and information sharing.

2.2.5 Regions/localities differences in the innovative or learning ability

The evidence collected from the interviews shows that, in general, the devolved administrations within the UK displayed a greater capacity for learning and innovation than the central government. This was attributed by interviewees to a number of factors. One crucial issue was size: interviewees from both the Welsh and the Scottish government reported that they considered the spreading of innovative policy solutions and the sharing of good practices to be much easier within Wales and Scotland, because the number of actors involved was limited and in general coordination of policy interventions – between the government and the local authorities, as well as between different arms of the administration – easier to administer.

Scotland was also identified by one academic interviewee as a particularly good example of innovation in the field of youth employment policy, with an approach which was markedly different from that adopted by the UK government because it was markedly more ambitious and willing to consider innovative structural, large scale interventions rather than solely focusing on supply-side solutions. In this respect, the Scottish government’s Wood Commission for Developing Scotland’s Young Workforce was identified as a particularly good example of an ambitious and innovative approach to tackling the structural causes of problematic school-to-work transitions for young people. Besides the issue of size, the greater innovative and learning capacity of Scotland was attributed to a fundamental difference in ideological orientation in the wider economic strategy of the Scottish government – which was much more willing to consider structural, demand-side interventions that went against the grain of the established policy orthodoxy in England.
2.2.6 Major institutions involved in VET, STW, and youth labour market policies as effective ‘learning organisations’

The capacity of the major institutions involved in school-to-work transitions to act as effective ‘learning organisations’ in the UK is arguably limited, although perspectives in this respect are contrasting. Interviewees from academia and trade unions in particular argued that the UK civil service, despite producing and having access to large bodies of evidence regarding policy effectiveness, is inherently not geared towards learning, because dynamics of inter-departmental competition and ministerial influence on the policy process mean that policies are mainly designed and introduced to achieve specific political objectives, often with disregard of evidence. This leads to a situation in which institutions tend to lack historical memory and often reproduce ‘old’ solutions even in contradiction with the existing evidence, in many cases characterised by a short-termist attitude.

Horizontal learning and sharing of knowledge between different arms of government, or between departmental or non-departmental public bodies, also appears to be hindered by cognitive factors. One example in this respect which was emphasised by an academic interviewee is the absence of learning taking place between UKCES and the government (especially the Department of Business, Innovation and Skills). In this respect, it was pointed out that despite the fact that UKCES – as a public, government-funded body – produces relevant analysis about the structural causes of the UK’s labour market problems, this knowledge is often ignored by the government due to the underlying difference in the basic interpretative approach between the two bodies about the structural or deep causes of youth unemployment in the UK.

At the programme-level, however, it appears that institutions in charge of implementing various aspects of policy – such as the operational arms of the various ministries and the agencies attached to them in charge of delivery – are much more able to act as learning organisations, fine-tuning and adjusting the functioning of policy instruments to ensure efficiency and effectiveness on the basis of emerging information and of what works or not in delivery on the ground. Therefore, it appears that whilst effective learning can take place within the operational arm of the major governmental institutions with responsibilities for STW transitions (thus leading to numerous instances of ‘first order’ changes), the same does not happen to the same extent for what concerns ‘second’ and ‘third’ order policy changes, in which the impact of learning remains limited.

2.2.7 ‘Negotiated’ and ‘coercive’ policy transfer/innovation

No examples of ‘negotiated’ and ‘coercive’ transfer emerge as relevant in the field of youth transitions and youth employment in the UK, given the fact that the UK has carefully resisted attempts at policy influence arising from supranational bodies, especially the European Union. The only field in which examples of ‘negotiated’ policy transfer have taken place is potentially in the field of employment rights legislation, in which the UK has had to accept and incorporate EU directives in its national legislation. However, in the field of youth employment this is not a very relevant channel of policy transfer and innovation.

2.3 Outputs from policy learning and policy change

Depending on the policy area, institutional arrangements and levels of governance, one can argue that recent policy changes in relation to STW transitions can fall in all of the four categories of policy change.
The change in the function played by local authorities in tracking young people to increase participation can be considered a good example of **redeployment of old institutions to new purposes**. For example, under the Youth Contract, the latest youth-related flagship initiative of the UK Government, and following the Raising Participation Age (RPA) regulations, local authorities are also formally responsible for tracking young people's participation in education or training and securing support for NEETs (EFA, 2014; LGA and ISOS Partnership, 2013). Specifically, local authorities have a duty to track NEETs and support them to find a suitable opportunity to participate in education or training. Schools and colleges are required to provide information about the participation of their students to local authority support services thus ensuring the young person can be contacted swiftly and offered support to help them re-engage with the education and training system (HM Government, 2014; LGA and ISOS Partnership, 2013). Similarly, the RPA to 17 from 2013 and the planned increase to 18 in 2015, places a duty on local authorities to make sure all those in the year after taking GCSEs are still in full-time education, an apprenticeship or employment with training (Clegg, 2014). As such, this enhanced local authority role in relation to young people can be said that reflects changes that 'redploy' old institutions to new purposes as well as changes in the policy instruments themselves.

Other aspects of policy change observed in the UK can be considered as examples of **changes in the policy instruments themselves**. For example, another innovative aspect of the Youth Contract for NEETs is the provision of personalised and sustained support for young people over a period of 12 months or longer, as opposed to other programmes which have usually run for shorter durations, typically about three months. This longer duration of the support package coupled with the provision of personalised and individualised support based around the young person’s individual needs increases the likelihood of a successful transition into further education, training or employment (Mascherini et al, 2014; stakeholder interviews). In this case, pre-existing programmes already delivered at the local level were combined or re-structured to be aligned with the new policy design. A related development which can be characterised as a change in the policy instruments themselves concerns the enhanced role of Job Centre Plus (JCP), the UK’s PES, in the delivery of the Youth Contract. Specifically, JCP offers ‘more flexible’ and intensive support to young JSA claimants through weekly, instead of the more typical fortnightly Work Focused Interviews (job search reviews) (House of Commons, 2012; HM Government, 2011). Using ‘Youth Contract funds, young people receive more ‘in depth’ adviser time, meeting an adviser’ face-to-face every week from the five-month point in their benefit claim’ (House of Commons, 2012; stakeholder interviews).

A new and widely welcomed development which can be characterised as a change in policy instruments is the on-going bringing data together of Destinations Data concerning FE and HE by combining for the first time matched administrative data from the Department for Education (DfE), Department for Business Innovation and Skills (BIS), and HM Revenue and Customs (HMRC, the UK's tax authority). These Destinations Data are outcome-based measures of performance for all post-19 FE and skills, including qualifications and link specific education and training provision to specific learner outcomes, e.g. progression into a job. The aim is that using these data, schools can offer informed advice and observe where school leavers are most likely to end up. Young learners also benefit by being able to choose the best courses to get into an industry they would like to and, as such, facilitate their speedy and smooth STW transitions (stakeholder interviews). This development is quite novel because to date there has been no possibility to link up the data sets of different government departments.

Likewise, as mentioned earlier, a new institutional arrangement introduced by the Coalition Government in October 2010 are the Local Enterprise Partnerships (LEPs). These non-statutory bodies (39 in England so far) team up businesses with local authorities and other local stakeholders and have assumed many of the responsibilities of the now defunct Regional Development Agencies (RDAs) while, at the same time, having responsibility for Enterprise Zones (Ward, 2014). LEPs have been asked by the Government to set out in their European Structural and Investment Fund (ESIF) Strategies how they will use EU funding to both tackle the barriers that lead to youth unemployment and to help NEETs develop the skills required to move into the labour market, training or education.
As such, LEPs have a critical role in ensuring that training provision reflects local labour market needs in order to facilitate STW transitions (BIS, 2013). Again, LEPs include existing institutions but in a different configuration, with a much stronger private sector/business lead and involvement and a greater degree of decentralised/devolved decision making. In this sense, they can be considered as a further example of ‘redemption’ of old institutions for the creation of new ones, for the purpose of meeting new policy goals such as increasing employer ownership of skills.

The above discussion notwithstanding, the prevailing approach to both policy learning and innovation in the UK typically follows its traditional empirical, incremental and stepwise approach, at least in a number of policy areas. However, there are also instances where a more radical approach to policy learning and innovation has been adopted. For example, at present there is a major VET reform in process. Some of the proposed changes are incremental such as the current expansion of apprenticeships (although, according to stakeholders, the aim is that in due course and, notably from 2017 onwards, this will lead to a more radical change in the area of improving intermediate/technician level skills). This major focus on apprenticeships is also based on evidence of better labour market outcomes for young people, while they are also the key route to labour market entry in England for NEETs (Newton, 2014).

As was stated, the way this policy is implemented is ‘typically British’ in that progress is made incrementally and organically; however, it is expected that, in due course, these changes will acquire momentum/critical mass and lead to a more radical change in the institutional structure of UK’s VET. The same incremental change through pilots, trailblazers and the ‘test, learn, adapt’ method to policymaking can be observed in other VET developments. For example, the Apprenticeship Trailblazers are expected to test and deliver a whole array of new apprenticeship standards designed by employers which meet their skill needs and provide diverse pathways for young people to enter the labour market and reach higher skill levels: concurrently, greater employer ownership is also supposed to increase the quality of apprenticeships, which has often been identified as one of the key weaknesses of the UK VET structure.

Crucially, these Trailblazers are being introduced as a means to address recommendations from the Richard Review (2012), that employers are ‘best placed to judge the quality and relevance of training and demand the highest possible standards from training organisations’, and thus, address the perennial problem of the rather limited and/or ambiguous employer involvement and engagement in apprenticeships and VET more generally (Sissons and Jones, 2012; BIS, 2014a). Within the UK context, this represents a radical departure from the past when the VET/apprenticeship arena was dominated by training providers (stakeholder interviews). In contrast, it is expected that the Employer Trailblazers will put employers at the centre of the design of the education and training system, including VET in the same way as they are in other EU countries with stable and smooth STW transitions, e.g. Austria, Denmark, Germany, the Netherlands, Switzerland, etc.

There are also other changes that can be characterised as more radical. For example, the new ‘higher level apprenticeships’ which should allow progression into training that is equivalent to university-level qualifications represent a rather radical departure than in the past (Newton, 2014; BIS, 2014a). Likewise, the recently introduced Traineeship Programme with its explicit aim of improving the basic and ‘soft’ skills of young people, so that they can then secure an apprenticeship placement and/or job is quite novel within the UK context and, according to stakeholders can be characterised as a rather radical change. Moreover, this programme shares many characteristics with the highly successful pre-vocational training provision in other EU countries such as Germany and, as such, can be regarded as incorporating good practice from such programmes.

Another innovation which can be characterised as radical but falls out of the scope of this report is the on-going major school-related structural and curriculum reform aimed at both improving standards and expanding diversity of provision and parental choice. Likewise, a new policy is the Pupil Premium which is money allocated to schools to help narrow the gap in achievement between disadvantaged students (particularly those eligible for Free School meals) and other students.
3. Policy change within and across institutions

3.1 Institutional structure of the labour market affecting policy change/innovation, particularly as to STW.

3.1.1 Employment protection legislation (EPL)

One of the dominant features of the UK’s labour market is flexibility and low levels of employment protection, in line with its characteristics as an Anglo-Saxon, liberal welfare regime. The UK has one of the lowest EPL among the OECD for several types of contract (see Figure 1 and Figure 2).

Figure 1: OECD EPL Index, Individual and Collective Dismissals (Regular Contracts)
The Employment Rights Act 1996 and subsequent amendments covers the entire contractual relationship between employee and employer. As the figures above show, according to the 2013 OECD’s EPL, the UK scores very low in all areas: the protection against individual and collective dismissals is 1.62 (vs. an OECD average of 2.29); against individual dismissal is 1.12 (vs. 2.04); for specific requirements for collective dismissal is 2.88 (vs. 2.91); and for regulation on temporary forms of employment is 0.54 (vs. 2.08). The model is sometimes defined as ‘light and even’; setting universal basic minimum standards to prevent exploitation but allowing workers and employers the freedom to set mutually beneficial terms and conditions.

Given its already extreme flexibility, EPL has not featured as a major area of policy intervention for tackling the youth unemployment problem in the crisis context – although the hyper-flexibility of the UK labour market is cited by employers’ organisations as well as government representatives as an important factor facilitating quick recovery of the UK labour market. On the other hand, the problem of low employment protection and high employment precariousness is cited by trade unions organisations as a major area of concern. In general, tripartite consultation on the issue of employment regulation has been basically absent in the UK, despite trade union’s lobbying efforts against extremely casualised forms of employment such as zero-hours contracts.

### 3.1.2 Unemployment benefits

Considerable changes have been introduced to the benefits system in the aftermath of the crisis, in a direction of stricter activation and increased conditionality of benefits receipt.

Jobseeker’s Allowance (JSA) claimants and Employment and Support Allowance (ESA) claimants in the Work Related Activity Group (WRAG) are subject to mandation as a condition of receiving benefits. Conditionality in the benefits system aims to serve as a means to reinforce the responsibilities of benefit claimants to seek work and to participate in relevant support.

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Some behaviours and requirements of mandation apply to all claimants, such as being available for work and actively seeking work for individuals claiming JSA. In addition, claimants may also be mandated to specific programmes or activities depending on their situation and the outcomes of discussions with Jobcentre Plus or Work Programme advisors. Claimants are required to agree and sign up to a Claimant Commitment. This is a new form of the Jobseeker’s Agreement and makes explicit the jobseeking actions a claimant must carry out while receiving JSA. It emphasises claimants’ responsibility to do all they can to look for work in return for the support they receive from the state.

Requirements are enforced through the sanctions regime, which was considerably strengthened in severity in the aftermath of the crisis, especially since 2010. A Job Centre Plus (JCP) (i.e. PES) adviser can raise a sanction referral. This referral acts as a statement that, in the opinion of a personal adviser, a claimant may not be fulfilling the conditions required to receive benefits and therefore may not be entitled to a benefits payment. The referral is passed to a decision maker who will decide if a sanction is to be applied. Once the claim has gone forward to a decision maker, a claimant may have their benefit suspended pending a decision being made.

From October 2012, a new sanctions regime was introduced. For JSA claimants it included three levels of sanction (higher, intermediate, and lower) depending on the nature of the breach, different levels of sanctions for the first, second and third breach, and a change to the date a sanction would start. Lower level sanctions lead to claimants losing all of their JSA for a fixed period of four weeks for the first failure, followed by 13 weeks for subsequent failures (within a 52 week period of their last failure). Breaches that will incur a low level sanction include:

- voluntarily leaving a place on a training scheme or employment programme without good reason;
- refusal of a place on a training scheme or employment programme without good reason;
- failure to participate in a scheme for assisting them to obtain employment without good reason (Skills Conditionality).

Not actively seeking employment or not being available for work are failures of entitlement and incur an intermediate level sanction, which result in losing all of JSA for four weeks for a first failure, rising to 13 weeks for a second or subsequent failures (within a 52 week period of their last failure). High level sanctions are used for breaches such as leaving employment voluntarily without good reason, losing employment through misconduct or failure to participate in mandatory work activity without good reason. Higher level sanctions lead to claimants losing all of their JSA for a fixed period of 13 weeks for a first failure, 26 weeks for a second failure and 156 weeks for a third and subsequent failure (within a 52 week period of their last failure). In December 2012, a revised sanction regime was introduced for ESA (WRAG) claimants.

Skills Conditionality was introduced for JSA and ESA (WRAG) claimants in August 2011. This policy allows Jobcentre Plus advisers to mandate benefit claimants to undertake activities that address an identified skills gap. The purpose is to ensure that these claimants undertake activities to bring them closer to the labour market and support them to secure employment. Claimants can be referred to an Initial Provider Interview, support from the National Careers Service, or to training. Data analysis shows that Skills Conditionality is no more or less likely to be applied to specific demographic groups, however, the likelihood of being sanctioned is higher among some groups of claimants, such as young people, than others. The Evaluation of the Youth Contract found that individuals with a longstanding health condition or disability were more likely than other claimants to say their benefit had been stopped or reduced (42 per cent compared with 30 per cent) (Bloch et al, 2013; DWP, 2014).
All these changes have been introduced unilaterally by government with minimal consultation, and despite the very vocal opposition of both trade unions and numerous civil society organisations and charities which have vocally criticised the punitive nature of the implemented changes. Rather than from policy learning, it can be argued that these changes arise instead from an ideological commitment towards stricter activation of claimants and rolling back of welfare expenditure which characterise the policy orientation of the current government.

3.1.3 ALMPs

The strengthening of Active Labour Market Policies (ALMPs) targeting young people has featured as a major element of the UK government's policy response to tackle youth unemployment. On top of the changes to benefits conditionality and sanctions mentioned above, this has taken the form of targeted support programmes for particularly disadvantaged young people, such as the Youth Contract, as well as wider welfare-to-work measures such as the Work Programme, which aim at the activation of job-seeker and unemployment benefit claimants more broadly.

The main new ALMP policy introduced to tackle youth unemployment was the Youth Contract, introduced in April 2012, which aims to support unemployed 16 to 24 year olds with a £1 billion government funded programme over a three-year period. It seeks to keep young people connected with the world of either work and/or education through the promotion of traineeships and work experience placements, targeted one-to-one provision of employment assistance and mentoring, as well as to the provision of wage incentives for recruiting young people (an element which was, however, discontinued in the summer of 2014 due to low take-up). The Youth Contract comprises a targeted element for 16-17 to prevent entry into NEET status, and a main element for 18-24 young people in NEET status.

The main element of innovation introduced by the Youth Contract was its ‘payment-by-results’ elements, which gives providers delivering the programmes incentives to devise whatever strategies they think are most effective to re-engage young people in their local areas. This is supposed to encourage innovation and sharing of best practice. The different policy instruments feeding into the Youth Contract were not necessarily new as such, but based on a re-packaging and re-organisation of pre-existing aspects of provisions, with a particular focus on targeting on the most disadvantaged youths. A policy-maker with responsibility for the Youth Contract interviewed as part of the project emphasized explicitly that this decision arose from a process of policy learning, as existing evidence had shown that this type of targeted support and mentoring programmes had the best outcomes when targeted at the most disadvantaged (also to limit providers’ incentives for cherry-picking). The impetus for innovation arose specifically in this case from government, although local authorities as well as third sector providers were consulted during the set-up and implementation phases.

Social partners, on the other hand, emphasized explicitly that they had not been actively consulted in the design of the Youth Contract, and identified this as a potential source of some of its shortcomings (for example, the extremely limited uptake of the Wage Incentive component targeted at employers).

Another relevant ALMP introduced in the post-crisis context is the Work Experience Programme. This is a highly profile initiative providing work-related, practical experience for young people. The programme involves voluntary work placements with organisations for JSA claimants aged 16-lasting 8-12 weeks. Under the scheme, Jobcentre Plus matches 18-21 year-olds with employers, who then work unpaid for up to eight weeks without losing their benefits. The first official evaluation results showed that from an early cohort of 1,300 Work Experience starts, from the beginning of January to the end of March 2011, 49% were claiming benefit, 13 weeks after starting provision (DWP, 2011b).
3.1.4 Labour contracts

No changes in labour contracts as such have been implemented as a response to youth unemployment, and this area does not feature highly on the policy debate agenda given the already very high level of labour market flexibility characterising the UK labour market.

However, the public debate – pushed largely by the campaigning efforts of trade unions – has focused on emphasising the problematic issue of zero hours contracts, a typology of non-standard employment which is increasingly widespread in the UK and that amounts to a form of casual, ‘on call’ employment, in which the number of hours worked by employees is variable and set by the employer purely on the basis of demand. These are increasingly widespread amongst young people, with 37% of those employed on such contracts aged between 16 and 24 (Pennycook et al, 2013).

Zero-hour contracts are criticised by trade unions due to the low levels of employment and job security they offer, whilst they are welcomed by employers as a way to flexibly adjust labour demand.

The UK Office for National Statistics estimates that the number of zero hours contracts has doubled between 2012 and 2013 (see Figure 3 below). According to ONS, in the first quarter of 2014 there were 1.4 million jobs offered on zero-hours contracts and more than a half million people employed on them. One of the main issues with zero-hours contracts was the existence of exclusivity clauses that effectively tied a worker to one employer even when no work is available. Following a consultation in 2013, the government has responded by including a provision in the Small Business, Enterprise and Employment Bill that will render these clauses unenforceable, and this has been widely accepted by stakeholders as a necessary modification.5

Figure 3: Number of zero hours contracts

In relation to young people, a key characteristic of the STW transition pattern in the UK is also the large number of young people in precarious part-time or temporary jobs (European Commission, 2013b). Although the UK only has a slightly higher than EU-28 rate for part-time employment as a percentage of total employment, the UK has a high proportion of people working very short part-

Source: Department for Business Innovation and Skills/BIS

5 http://www.cipd.co.uk/pm/peoplemanagement/b/weblog/archive/2014/09/08/policing-the-ban-on-exclusivity-clauses-in-zero-hours-contracts.aspx
time hours (i.e. less than 10 hours per week) (Eurofound, 2010). This also includes a large number of students who work short part-time hours to support themselves through their studies due to a long-standing tradition of students doing part-time or summer jobs. For example, in 2012, 54.4% of those aged 15-24 in part-time employment cited being in education or training as the main reason for their employment status. Those 16 to 24 year olds who work alongside being in full-time education are more likely to be employed in low-skilled jobs than other work. In 2013, almost 73% of young people in full-time education who worked were in elementary and customer service occupations which contain jobs such as kitchen/catering assistants and waiters/waitresses (ONS, 2014a).

Interestingly, compared to the rest of the EU, the UK has a relatively low proportion of young people in temporary employment, which is, in turn, associated with its low EPL score (European Commission, 2013c). For example, in 2011 some 13.5% of 15 to 24 year olds were in temporary employment (compared to an EU-27 average of 55.5%) (Eurostat, 2012). However, a specific effect of the crisis has been an increase in the proportion of young people in temporary employment as employers have faced economic uncertainties and sought to reduce risk in hiring practices. Specifically, the proportion of young workers in temporary employment increased rapidly from 2008 to 2010 but recovered to pre-crisis levels in the UK by 2011 (Eurostat, 2012).

In general, since the Great Recession the proportion of young people working in temporary jobs because they were unable to find permanent jobs rose. Specifically, amongst those aged 16-24 the proportion in temporary work because they could not find a permanent position increased by over twelve percentage points, meaning that nearly half of the temporary workers in this age group are doing so because they were unable to find a permanent position (European Commission, 2012b). However, these trends have been mainly determined by changes in employers' behaviour, rather than by changes in regulation – which have remained largely untouched.

### 3.1.5 Working time

Working hours are currently difficult to quantify, with a prevalence of zero hours contracts amongst young people. The current high incidence of involuntary part-time work amongst young people also suggests that low or irregular working hours may have become a structural feature of the UK youth labour market, and this view is largely reflected by both trade unions and employers. However, policy makers expect this to stabilise, with a raised participation age expected to result in a greater number of apprenticeships and traineeships. In general, working hours do not feature in the UK as an important area for tackling youth unemployment, and no major innovations have been introduced in the past few years, with the exception of the zero hours contracts discussed above.

### 3.1.6 Wage setting institutions

Wage setting institutions do not feature in the UK as an important area for tackling youth unemployment, as the UK does not have institutionalised wage bargaining systems in place. Minimum wages are set in legislation or through bargaining that takes place largely at the workplace/company level.

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6 However, it should be noted that since 2000, the share of young people undertaking work alongside full-time study has been falling (ONS, 2014a). The share of full-time students aged 16 to 24 who were also working in 2013 was 27%, down from 41% in 2000, with much of this happening from 2005 onwards. At the beginning of 2000, there were 926,000 16 to 24 year olds in full-time education and in employment, while at the end of 2013 there were 813,000 (MAC, 2014).
3.1.7 Minimum wage

A national minimum wage (NWM) was introduced in the UK with the 1998 National Minimum Wage Act\(^7\) which adopted a broad definition of eligible workers (Brown, 2014). Depending on one’s age and status (e.g. whether one is an apprentice), there are different levels of NMW. For example, the current apprentice rate is £2.73 per hour as opposed to £5.13 per hour for those aged 18-20 and £6.50 for those aged 21 or over (the adult rate). The NMW value relative to median pay has risen from 46% in 1999 to 53% in 2013, placing it about the middle of the range of minimum wages in OECD countries (Brown, 2014). A young person who is 16 or over is entitled to earn a minimum wage. There are currently two minimum wage youth rates: the Youth Development Rate\(^8\) and the 16–17 Year Old Rate.\(^9\) In June 2010, the government accepted the Low Pay Commission’s recommendation for 21 year olds to be entitled to the adult rate.

3.1.8 Labour taxation

Shortly after coming to power in 2010, the Coalition government introduced changes in labour taxation. As a result, the top rate of tax was cut from 50 to 45%, and the personal allowance has been rising substantially since the 2010 general election. The tax wedge on labour income in the UK is lower than the OECD average for all situations with the exception of an averaged waged couple with one earner and two children. For a childless, single individual on the average wage, the tax burden as a percentage of labour cost is 31.6%; 13.3% from central income tax, 8.5% from employee social security contributions, and 9.8% from employer social security contributions.

3.2 Institutional structure of VET and basic mechanisms behind transition processes

3.2.1 Issues in the policy debate

In general, VET and academic training do not enjoy parity of esteem in the UK, with VET being as the poor relation of academic learning (Wolf, 2011). There is a long history of government attempts to reform both types of qualifications in order to create parity of esteem over the past 20 years (Atkins et al, 2011), mainly through raising the perceived quality of VET, particularly at Level 3 where comparisons are made with the ‘gold standard’ A Level. However, as has been argued, for reasons largely associated with (i) societal perception of vocational education; (ii) structural weaknesses in the vocational route; and (iii) the economic return associated with vocational credentials as opposed to academic credentials, parity of esteem is still elusive (Atkins et al, 2011). In contrast with the wider EU trend, IVET graduates in the UK have an employment rate that is 2.4 percentage points lower than their counterparts from general education and the employment advantage for this kind of qualifications compared to lower-level qualifications is lower than the EU average (European Commission, 2014c).

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\(^8\) The **Youth Development Rate for 18–20 year olds** was introduced in April 1999 at £3.00 an hour and originally covered 18–21 year olds. It has risen since then roughly in line with the adult rate. On 1\(^{st}\) October 2010, the adult rate was extended to 21 year olds. Since 1\(^{st}\) October 2013, this rate has been £5.03, approximately 80% of the adult rate.

\(^9\) The **16–17 Year Old Rate** was introduced in October 2004 at £3.00 an hour. It has risen broadly in line with the other two rates. Since 1\(^{st}\) October 2013, this rate has been £3.72 an hour, around 59% of the adult rate.
As far as apprenticeships are concerned, although their image and attractiveness has been steadily improving in recent years, their status is still not at a par with more other education pathways and are seen as having a rather narrow focus: in England, apprenticeships are based on National Vocational Qualifications (NVQs), with the general education components being reduced to literacy and numeracy, with information technology included only if the employer in question requires it (Keep, 2012).

### 3.2.2 UK’s STW transition system, VET and recent path-shifts

Despite having a chequered history in the UK, apprenticeships in recent years have become increasingly popular and effective in facilitating STW transitions. Indeed, there has been a major policy push in promoting and supporting apprenticeships for young people, since these are seen as providing an effective and smooth entry to sustained employment (as well as improving and upgrading the skills of the UK workforce in line with employer requirements) (BIS, 2010 and 2012; DfE and DWP, 2011; Newton, 2014; Wolf, 2011). This foreseen expansion of craft/intermediate level as well as higher level apprenticeships combined with the concerted effort to improve their quality and image/reputation represents a major path-shift in the UK’s STW transition system. Indeed, apprenticeships are seen as the high quality route to achieving improved outcomes for young people who choose to leave full-time education in order to enter work and a crucial factor in raising the participation age (RPA) in education and training.

That said, it should be stressed that, the strong emphasis on apprenticeships notwithstanding, the UK is still in a transitional phase in terms of changing its STW transition system. In other words, although the policy intention is to effect a major change in the STW transition pattern by massive expanding the level, quality and take-up of apprenticeships by young people, it is still rather early to assess the extent to which this will lead to a permanent path-shift. For example, recent data indicate that, in recent years, there has been a step-change in growth for those age 25+, with a moderate increase in the take-up of apprenticeships among those aged 19-24 and, crucially, a fall in the number of apprenticeships available to 16-18 year old (Newton, 2014).

### 3.2.3 VET-related policy learning/transfer

The current reform of the VET system, including apprenticeships, reflects to some extent policy learning both from policy reviews (undertaken at the request of the Government) and from international sources such as the OECD. For example, a long-standing and consistent body of evidence in the UK has highlighted that programmes which combine training with periods of work experience, contact with employers and assistance with job search, and which lead to recognised and relevant qualifications, are more likely to have positive impacts. As a result, there is evidence that increasingly, training provision in England is being informed by these principles (OFSTED, 2012; BIS, 2013d). Moreover, following a number of government initiated reviews, notably the Wolf (2011), Holt (2012) and Richard (2012) reviews, both VET and apprenticeships are being reformed on the basis of the evidence gathered and analysis conducted as part of these reviews. The upshot is a major on-going reform with apprenticeships lying at the heart of the new VET system under development which comprises broad, enhanced and flexible vocational qualifications (BIS, 2010; Campbell, 2012). As a result of these reviews, the policy ambition now is that the majority of apprenticeships will be delivered at Level 3 (ISCED Level 4) which is a level equivalent to that at which they were delivered in 1990 (Newton, 2014).

It is worth stating that these reviews also highly recommended that the UK learn best practice in the area of VET and apprenticeships from other countries such Denmark, France and Germany. Indeed, the need to offer high quality and higher level apprenticeships and a broad and enhanced curriculum which promotes transferable skills as well as clear pathways and permeability between vocational and general education recommended by these reviews have a lot in common with good practice elsewhere in the EU and beyond.
Indeed, the UK Government has highlighted that the 2012 Richard review of apprenticeships in England was informed by experiences in the Netherlands, Switzerland, Denmark and Germany (House of Lords, 2014a; Richard, 2012). Likewise, the recently launched University Technical Colleges (UTCs) which focus on boosting young people’s intermediate/technician level skills draw on the German Realschule model (Evans, 2014). Interestingly, the Minister responsible for apprenticeships in England has also stressed the importance of international comparisons and policy learning, notably from Germany and France (House of Commons, 2012a). However, the extent to which dual training system countries such as Germany and Denmark have influenced the British apprenticeship system has been widely questioned, since it does not seem to conform to the prevalent dual training model (Steedman, 2011; Lanning and Rüdiger, 2012; House of Commons, 2012a).

On a different (international) level, as the UK government stated in its evidence to the House of Lords, the seminal work by the OECD provides key policy recommendations aimed at reducing unemployment and promoting labour market participation and employment. To this end, it believes that the OECD’s high level recommendations such as the need to ‘remove impediments to labour market participation as well as job-search’ and to ‘facilitate the development of labour force skills and competencies’ are most relevant for young people (BIS, 2013a). As a result, the UK’s current major push towards high quality apprenticeships and other programmes which combine education and work; the broadening of vocational programmes; and the strengthening of links between general and vocational education in the UK is also in line with Pillar D of the Restated OECD Jobs Strategy. The influence of OECD on policy formation in the UK was confirmed by stakeholder interviews.

3.2.4 VET provision, connexion to low-end jobs/traps and related changes

In relation to VET, historically, many VET courses have not led to jobs or further education, and are often promoted as an option for low achieving students (Wolf, 2011; Lanning and Rüdiger, 2012). Notwithstanding the current policy focus on improving the VET scope and quality, such training still centres on how to prepare young people for a specific job role and, as a result, qualifications tend to be narrow and task-focused. There is also concern that the low quality of many programmes simply directs young people into low level jobs with little prospect of progression or further study, as well as damaging the status of VET more generally (Sissons and Jones, 2012). Such issues have been the subject of lively debate among policy makers, the media, employers, training providers, youth organisations, academia, think tanks, etc.

As has been argued, the traditional lack of lack of rigour and/or breadth on the UK’s VET provision together with the lack of progression routes to higher and/or general/academic learning runs the considerable risk that ‘young people who are directed into lower level VET offerings end up trapped in low-end jobs (or no jobs at all) with little prospect of being able to re-engage with adult learning at a level that would allow them to achieve significant progression in the job market’ (Keep, 2012).

In view of this and in line with the on-going VET reform there has been a concerted effort to not only improve the quality and image of VET, but also to ensure that low achieving young people have the necessary skills and knowledge to access and progress in VET. Indeed, one of the key priorities of the current Government is to ensure that young people acquire skills relevant to labour market requirements, including by broadening VET programmes, enhancing the quality of VET; strengthening links between general and vocational education and improving career guidance, especially in relation to VET; and help combine education with work, notably through improved apprenticeships and other types of work placement (BIS, 2013a). Significantly, the government has embarked upon a major apprenticeship reform to improve their quality, training level (leading to higher qualifications) and take-up by young people (Newton, 2014). As a result of a major policy push in promoting apprenticeship and other forms of VET for both young people and adults, there has been a significant expansion of
this type of training, with the number of apprenticeship starts more than doubled between 2008 and 2013.

### 3.2.5 Employability concerns/embeddedness

Concerns about the employability of young people are prevalent in both public and policy debate (UKCES, 2011). Indeed, many employers have consistently complained about young people’s inadequate literacy and numeracy skills which, in turn, reduce their employability (AELP, 2013; House of Lords, 2014a and 2014b). For example, the 2013 Confederation of British Industry (CBI)/Pearson education and skills survey found that that about a third of employers report they are not satisfied with the basic literacy or numeracy skills of school or college leavers (CBI, 2013).

To address the issue of young people with very poor basic skills which are seen as a major hindrance to their employability, the Government has recently introduced a series of measures aimed at the improvement of young people’s literacy and numeracy skills (BIS, 2013a). The government is also rebalancing investment in skills is focusing funding on young people (those with English and maths skills below Level 2) and the unemployed. A major recent development which can be regarded as innovative is the introduction, in August 2013, of the Traineeships Programme. This shares many characteristics with the highly successful Germany’s pre-vocational training and is, in the main, a pre-vocational/pre-apprenticeship programme aimed at young aged 16-23 who lack the necessary basic skills or work experience to compete successfully for apprenticeship placements or jobs (DfE and BIS, 2013b).

Moreover, young people without ‘soft’ skills have also been increasingly left at a disadvantage in the labour market, since these are increasingly associated with enhanced employability (Bivand, 2012). Indeed, the importance of ‘soft’ employability skills is also stressed by many stakeholders as a very important area of focus to tackle the issue of youth unemployment and prepare young people for the world of work.

Linked to this is the employer expectation that young people must have some work experience prior to being properly employed. This can acquired through internships and a variety of work experience placements which are widely used in the UK in facilitating STW transitions and act, as such, as another labour market entry point. Indeed, employers put a premium on young people having acquired some work experience either through internships and/or work placements (CIPD, 2010; Hadjivassiliou et al, 2012; HM Government, 2011). To this end, there is concerted effort to both improve young people’s ‘soft’ skills and to provide them with work experience opportunities. For example, work experience forms an integral part of the 16-19 study programmes, introduced in September 2013 (DfE, 2013b).

### 3.2.6 Youth labour market structure and Industries/Employers recruiting directly from education

The percentage of and type of employers who recruit directly from education vary considerably. UKCES evidence shows that, although just under a quarter\(^\text{11}\) of employers recruit young people directly from education, this falls to just 6% taking on school leavers (UKCES, 2011; Keep, 2012). A

\(^\text{10}\) According to the 2011 Skills for Life Survey, 28% of 16-18 year-olds in England are functionally innumerate and 14% are functionally illiterate (BIS, 2011c).

\(^\text{11}\) According to the 2009 National Employer Skills Survey (NESS), this is broken down as follows: 9.6% have taken on graduates; 10.4% have taken on college leavers; and 5.5% have taken on school leavers (UKCES, 2011).
number of reasons account for this drop in the number of employers that directly recruit school leavers. First, there is the ‘pull’ factor of further and higher education, since the number of people aged 16 to 24 in full-time education has more than doubled over the last 30 years (ONS, 2014a). Indeed, a key feature of the UK’s STW transition has been the tendency of young people to stay in education as opposed to enter employment at an earlier age (as was the case in the past).

Second, employer recruitment practices which place a premium on qualifications (‘credentialism’ in youth labour market) may also explain this apparent reduction in the labour market entry points directly from school (Wolf, 2011; UKCES, 2012b; Keep, 2012). Third, more crucially, it reflects the ‘push’ effect of the lack of entry level jobs for young people. The changing structure of the (youth) labour market and the associated greater difficulty in accessing entry level jobs poses another major challenge for young people. The decline of sectors such as manufacturing is well-documented. Moreover, the progressive polarisation and hollowing out of the labour market has resulted in fewer jobs for the low and mid-qualified (BIS, 2013e). This is exacerbated by the reduction of intermediate level jobs which results in fewer opportunities for progression beyond entry level jobs. Young people also face intense and growing competition from older and more experienced workers as well as migrants, especially in the UK’s expanding low wage service economy (MAC, 2014; Crowley et al, 2013).

In terms of sectors which employ large numbers of young people these include the service sector, including the retail and hospitality industries as well banking, high-tech industries, the car industry and the engineering sector (through apprenticeships) as well as industries that require relatively unskilled labour, e.g. construction (stakeholder interviews). According to some stakeholders, banks represent an interesting case, as they employ young people because of the associate strong business case. First, young people help banks address their current demographics challenge (ageing workforce) while, at the same time, bring in new skills and knowledge as well as fresh and creative ideas, thus enriching the current skill set. Second, by developing and promoting young people banks build a new, loyal and dynamic talent pool. Third, the employment of young people is a demonstration of banks’ corporate social responsibility (CSR) and, as such, strengthens their brand and image (stakeholder interviews).

### 3.2.7 Barriers to participation and main issues regarding education and training

The UK has still too little vocational provision at post-secondary level in comparison with many other countries, and relative to potential demand. For example, it has a relatively low proportion of upper secondary students enrolled in initial VET (IVET) (38.6% compared to 50.4% in the EU in 2012) (European Commission, 2014c). Moreover, the UK’s VET policy has been criticised as being too focused on basic skills and relatively low-level qualifications. Likewise, both the supply of high quality vocational and technical education and the attractiveness of these courses to prospective students are underdeveloped in relation to labour market needs (European Commission, 2014c).

At present, the UK is undergoing a major reform of its VET and apprenticeship systems, aspects of which has been described above. This reform seeks to address in a very comprehensive way both urgent and perennial issues around VET provision and its role in STW transitions in the UK. By setting out to improve the quality of VET, including apprenticeships and providing support to elevate

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12 Since comparable records began in 1992, the proportion of people aged from 16 to 24 in full-time education has increased substantially from 26.2% for March to May 1992 to 44.1% for July to September 2014 (ONS, 2014b).
13 For example, in 1976, over three quarters of 18 year olds were in work, while by 2009 this had fallen to 40% (UKCES, 2011; Keep, 2012).
the skills of low achieving students and/or disadvantaged young people so as to be able access it, the reform aims at promoting VET and associated career pathways as a high quality option and one which enjoys parity of esteem with more traditional pathways such as the academic/general education.

Because this reform is on-going and rather recent, it is very early to say how successful it will be in effecting a radical paradigm shift (the stated aim of the reform). In addition, some early findings show that such a change will be rather difficult to take place. For example, despite a major publicity campaign and the offer of higher quality apprenticeships, a recent survey of apprentices in England showed that 82% agreed that apprenticeships were perceived as a second choice at their school or college (IAC, 2014).

Moreover, a risk involved in the current innovations in the apprenticeship framework also concerns whether employers will actually be able or willing to take ownership of the vocational skills system in the way which is envisaged in the Trailblazers model, or whether this will lead again to a non-standardised situations in which provision of apprenticeships will be of high quality in certain sectors with well-developed infrastructures of employer coordination, and more patchy in those in which coordination capacities are lower. It also remains to be seen whether, despite the revamping and redesign of the institutional framework for the provision of apprenticeships, the demand side will actually hold up to expectations. Indeed, in a context of continued low aggregate macro-economic demands, employers’ willingness to create a sufficient number of apprenticeship vacancies will continue to be low unless interventions focus on the demand side as well.

Another factor that can impede the effective policy implementation is the severe spending cuts that the Coalition government has spearheaded since 2010. The budget cuts to the UK’s national careers service and its weak links with schools has been identified as a major barrier to providing high quality career advice to young people. For example, due to severe budget cuts there is an absence of direct links between the UK’s national careers service and schools which has been identified as a major barrier to providing high quality career advice to young people, including advice about VET options and related careers (NCC, 2013; Keep, 2012).

### 3.3 Welfare policies

#### 3.3.1 Description of safety net for young people at risk and recent changes

In the UK, the vast majority of out-of-work benefits (including the main unemployment benefit, Job Seekers Allowance) are universal and provided certain criteria are being met, there is no time limit on most welfare benefits in the UK. Jobseekers, including young people must ‘sign on’ every two weeks, proving how employment is being sought, to receive jobseekers allowance.\(^\text{14}\) Whilst many benefits are universal, some differ for young people. Students cannot claim benefits whilst studying, and for benefits such as JSA, working tax credit, and employment support allowance the amount you are eligible for increases or is only available for those aged over 25 (NI Direct, 2014). Each individual benefit scheme has its own eligibility requirement, dependent on circumstance, which is assessed on an individual basis. Family relations do come into play; estranged youths can apply for JSA at a younger age than most in times of hardship and support is available for young parents if they are still in education. Employment Support Allowance (ESA) and Working Tax Credit (WTC) are based on a contributory scheme; for WTC one must be earning below a certain amount over a certain number of hours per week and be aged over 25 unless one has children, and ESA is based on National Insurance contributions and time spent in employment.

\(^\text{14}\) [https://www.gov.uk/jobseekers-allowance/what-youll-get](https://www.gov.uk/jobseekers-allowance/what-youll-get)
As mentioned above, the UK welfare system, and especially the unemployment benefits regime, has undergone fairly significant changes in the aftermath of the crisis. In this respect, activation of benefits claimant – including young people – has been strengthened, and the conditionality for benefits receipt made more stringent, with the introduction of the so-called ‘Claimants Commitment’ and of a new, tougher sanctions regime.

This means that whilst general eligibility to unemployment benefits for young people has not changed, the type of active labour market policy programmes that young job seekers are required to take part in has evolved (for example through the provision of the Youth Contract for the most disadvantaged young people, or through the establishment in 2010 of the Work Programme, the new major welfare-to-work measure for all out-of-work claimants – in which participation is compulsory after a certain number of weeks spent claiming benefits).

The Work Programme targets, amongst other, young people aged 18-24, who are referred after 9 months of their benefit claim, although this can be earlier if they have been NEET for six months regardless of claim duration (Maguire, 2013). Providers provide the necessary help to support young people into a job under a payment by results mechanism, with providers being paid more for supporting young people who are harder to help into work (BIS, 2013). The scheme is highly tailored to each participant, including by skills, geographical location, and age. By June 2013, 366,780 18-24 year olds were referred, representing about 28% of all referrals (BIS, 2013).

Another relevant welfare policy pertains to childcare support. Parents under 20 living in England are entitled to extra support under the ‘Care to Learn’ scheme, which provides weekly payments of £160 per child per week (£175 in London) for young parents who want to continue their education and take part in publicly-funded education courses in England at schools and further education colleges (EFA, 2013). This was not subject to significant changes in the aftermath of the crisis. Further changes in the welfare system which affected young people particularly were introduced in the field of housing benefits, where restrictions to the amount and type of benefits that young people under age 35 could be entitled to were introduced. Since 2012, young people aged under 35 and who rent privately can normally only claim housing benefit at the rate for a single room in a shared house. This rule is known as the ‘shared accommodation rate’.

Overall, these changes to the generosity and conditionality of the welfare system were motivated by the twin concern of reducing public spending on welfare whilst strengthening incentives for young people to look for work or re-enter education rather than spending time claiming out-of-work benefits. Whilst in some respect the increased provision of targeted ALMP support for young people can be considered as a positive development, at the same time stakeholders have emphasised that rather than helping young people make better or more structured transitions, the changes to the welfare system in a direction of more stringent activation which have implemented in the crisis context have forced young people to often enter the labour market in precarious employment situations, often remaining stuck in a cycle of low pay – no pay, and increasing material hardship faced by the most disadvantaged groups.
4. Conclusions

The analysis of existing literature and the stakeholder interviews carried out in this report has highlighted a number of enablers and barriers to policy innovation and policy learning which can be identified as being at play in the UK context.

In particular, the report identified the following main drivers and enablers of policy innovation and learning in the youth employment policy field:

- Reliance on market mechanisms, competition and choice: especially the introduction of payment-by-results models and competitive tendering for the design and delivery of youth-related active labour market policies and services is seen by government as key to driving policy innovation in the UK (as well as improving range, quality, effectiveness of policies). The Youth Contract represents a particularly important example of innovation being driven through a payment-by-results, black box approach to ALMPS delivery.
  This view, however, is contested by other stakeholders who highlight that a marketised model of competition in service delivery may hinder collaborative peer-to-peer sharing of good practice between delivery actors.

- At the regional level, devolution of powers to the nations and decentralisation in policy making has created conducive conditions for policy learning and innovation. The creation of national, more localised policy-making machineries facilitates local experimentation of new/innovative approaches targeted at young people. The examples of the Wales Youth Guarantee and the Scotland’s Wood Commission on Developing Scotland’s Young Workforce are testimony to the innovative potential of the devolved administrations. Devolution also enables the easier spreading of good practice and more careful consideration of emerging evidence from previous experiences and from policy implementation at the local level in the design of new programmes. However, budgetary constraints and limited powers still act as barriers to further innovation.

- The existence of a ‘crowded’ and active policy community, with very well developed networks of think tanks and numerous research organisations producing knowledge on issues surrounding youth employment and STW transitions does arguably act as a facilitator for learning and innovation and for the spreading of policy ideas.

- The existence of an entrenched culture of evaluation and evidence-based decision-making can, in theory, act as a driver of positive policy innovation and informed policy-making, based on a careful consideration of ‘what works’. However, this seems to take place primarily at the programme level, rather than at the level of strategic policy design (at least for what concerns the central UK government). Linked to this, the widespread use of pilots and controlled experimentation methods in the UK can also enable innovation by providing ‘safe spaces’ for
testing new measures and managing their risks within defined parameters before a new policy is widely implemented.

The report also identified the following factors as barriers or obstacles to policy innovation and policy learning:

- **Risk aversion** (linked to path dependency) on part of policy-makers acts as a major barrier to learning and, consequently, innovation. Indeed, since the 1980s onwards, the ideological commitment towards minimal government regulatory intervention in the economy, as well as more recently the turn towards 'employer ownership' of skills and growth means that UK government has been reluctant to consider demand-side policy solutions, even innovative ones, that may a) place greater regulatory burden on employers especially; b) be perceived by the public as an increase in government's interference in various areas of economic life. This, coupled with cognitive barriers at play, means that often evidence is disregarded if it does not fit with the dominant government's interpretation of the structural causes of youth employment problems in the UK, which is inherently geared towards favouring supply-side solutions.

- The dynamics arising from intra-departmental competition and fragmentation of responsibilities also act as a barrier to positive innovation and learning. The fact that different government departments have responsibilities for different age groups and areas of policy affecting youth, and are led by different ministers with sometimes conflicting policy agendas, results in a situation in which at times government departments seek to push their 'own' policy priorities and defend their institutional power resources at the expenses of collaborative learning, coordinated policy solutions and spreading of good practice.

Overall, it can be concluded that whilst large bodies of evidence about policy effectiveness are customarily produced by the UK policy machinery, this knowledge could be more fully utilised. Despite evidence of extensive learning taking place at the level of programme design, the direction of policy as a whole is still politicised and driven by ideological commitments and inter-party competition rather than by processes of careful and deliberative policy learning as such. Especially in the field of youth employment policy, the report has shown that the level of policy innovation in the aftermath of the crisis has been particularly high – with numerous new initiatives being introduced especially in the field of ALMPs and apprenticeships.

Whilst this leads to an overall impression of 'policy busyness', this may not necessarily be informed by actual learning. Indeed, the two trends may be counter to each other, as fast and constant reform activity (largely driven by political concerns) may not be compatible with careful consideration of what may or may not work in practice, or be desirable in a macro-, longer-term perspective.
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Annex 1 – Interview Questionnaires

(i) STYLE WP4-Task 1: Questionnaire for Policy Makers

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Questions should aim to elicit the interviewees’ views/opinions on barriers to and enablers of policy learning/transfer conducive to ‘effective’ policy innovation with regard to STW transitions for youth (with an emphasis to the most disadvantaged youth - the NEETs).

1. Introduction

In this part of the STYLE research project, we are interested in understanding the dynamics and mechanisms of policy innovation and policy learning in the UK in the field of youth employment policy and school-to-work transitions policy; and in understanding how key stakeholders and policy-makers understand and respond to the main challenges existing in this field.
The interviews are completely confidential and no interviewees will be identified in any published output of the research, unless they desire to be explicitly acknowledged.

a) Could you tell me a little bit about your role and responsibilities within your organisation / department (tailor according to interviewee)?

**PART I: Dynamics of Policy Change/Innovation: The Macro-Level Perspective**

1. Issues and macro socio-economic trends/ shifts

   - a) Thinking about the issue of youth employment in general terms, can you identify any major socio-economic structural shifts (even before the onset of recession)\(^{15}\) that have reduced the number of jobs available for young people / have made transitions from school to work problematic?

   - b) What is the view of the Scottish government on the main root causes of these problems, and what would you identify as main possible solutions?

   - c) What would you identify as the main innovative solutions (if any) which have been introduced (or are being discussed in public debate) in Scotland in response to these structural trends in recent years (especially in relation to young people’s transition from school to work)? We are particularly interested in examples of policy which you would identify as examples of innovation, e.g. departing from pre-existing policy instruments or objectives or from pre-existing models of implementation and delivery.

   - d) Some commentators identify as a potential solution to youth unemployment an education driven ‘supply-push’ - which refers to the idea that expansion of publicly-funded education and training can trigger an expansion in skills supply that in turn will trigger changes in employers’ product market and competitive profile and lead the economy to higher skills equilibrium.

   - Would you identify this as a solution/policy idea supported by the Scottish government or by other key stakeholders such as employers and/or trade unions in Scotland?

   - Would you say this has been an issue in public debate on policy innovation in the field of youth employment and skills in Scotland?

   How and to what extent has this stance influenced policy change? How effective has this been in terms of STW transitions in the UK?

2. Governance and Socio-Economic Structure

\(^{15}\) Such as, the impact of technology on jobs and work organisation, the outsourcing effects of globalisation (‘the rootless firm’), and the effects of migration flows.
a) What would you say are the main triggers/and enabling factors which currently encourage or promote policy innovation in Scotland and in the UK as a whole (esp. in relation to youth policy, STW transitions and youth employment)?

b) And what would you identify as the main constraining factors (obstacles) which currently hinder innovation in youth-related policies?

c) Are any of these factors linked to the existing governance structure of youth-related policy in the UK, i.e. structural enablers?
   - For example, do you think that the current devolved governance structure in the UK promote diffusion of information/knowledge and facilitate adoption/spread of innovative practices/programmes (e.g. in youth-related policies, vocational training, activation, etc.)?

d) On the basis of your experience, can you identify any other aspects in the political/policy environment in Scotland that are conducive to policy transfer and innovation related to youth-related policies. (e.g. sharing of best/good practices, benchmarking, guidelines/framework developed from evidence-based policy informed by robust national and international research and evaluation, peer reviews, inter-departmental liaison and sharing of good practice, etc.)?

3. The Policy Learning Framework

a) Can you think of one or more specific case or example of a recent policy development which you would consider as a good example of policy innovation and/or of policy transfer in the area of youth employment policy / STW transitions in Scotland? We are particularly interested in examples of policy changes which were introduced in response to the 2008 financial and economic crisis and the resulting increase in youth unemployment / NEET rates.
   - Would you say this was a case of incremental change (i.e. adjustment of existing policy instruments or programmes, or conversion of old programmes towards new purposes), or were the objectives of policy also completely changed?
   - In this case, could you identify key actors (i) who initiated innovation and (ii) who contributed to innovation diffusion of innovation in relation to youth-related policies at central, regional, local level (and with regard to major stakeholders)?
   - What would you identify as the main source of this policy innovation? Was it a case of peer-to-peer learning (i.e. across nations / local authorities / councils)? Or was it a case of policy transfer or borrowing from abroad?
   - Can you identify any specific limitations / obstacles to the adoption or spreading of this specific policy innovation?
b) Besides this example, are there other actors which you would identify as important for the initiation of innovation in the youth employment policy field, and for the spreading of good practice in the UK and in Scotland in particular?

c) In your opinion, is policy learning (and learning from good practice) either across the UK or from the EU and/or overseas (e.g. US, OECD) a major theme of the policy agenda in the UK and in Scotland? By policy learning, we mean the process by which policy programmes and objectives are penetrated by new knowledge, and in turn updated/adapted.

- Can you think of one or more examples in which recent policy change or innovation has been driven by a process of policy learning?

d) How important, in your opinion, is peer-to-peer policy learning and innovation in the field of youth employment policy (for example, through codes of conduct, charters, ‘good practice schemes’, etc. developed by employer associations and professional bodies) as a channel of policy innovation?

- Can you give specific examples of peer-to-peer policy learning from Scotland?

e) Thinking beyond the domestic sphere, do you think that channels of policy influence / policy diffusion from supranational bodies play a role in driving policy innovation in the UK? If so, which ones? (Examples could include: EU funded programmes, EU soft/hard law, e.g. directives, OECD recommendations, ESF and other EU conditionalities). How important are they for effective policy innovation? [if not important], Why do you think that’s the case?

- Could you think of any specific cases with regard to recent policy developments in the field of youth employment and STW transitions, in which a policy innovation originating from a supranational body was introduced in Scotland?

f) Again, thinking of policy learning and transfer of policy innovations from abroad: in your experience / according to your knowledge, which countries does the UK or Scotland traditionally look to for policy transfer/borrowing, especially in relation to youth-related policies?

g) To what extent would you say the major institutions involved in vocational education and training, STW transitions, and youth labour market policies in Scotland are able or willing to ‘learn’, i.e. acquire knowledge about the latest state-of-the-art best practice and adapt their programmes, approaches, etc. accordingly and in line with the specific needs of young people?

- If learning is limited / does not happen, why do you think it’s the case? Do you think certain organisations / institutions are more open or receptive to new knowledge and evidence than others?

h) Can you identify any major conduits of ‘knowledge’ informing policy within and across various levels of governance (including the supranational EU level), which are important in Scotland?
Examples could include:

- co-operation and peer learning between UK’s national administrations and/or departments
- peer reviews as part of the European Commission’s Mutual Learning Programme
- the EU’s Open Method of Co-operation
- expert networks
- policy entrepreneurs, i.e. actors who initiate, transfer and implement new ideas,
- international organisations such as the OECD,
- other countries/regions, e.g. the US, Canada, Australia, etc.?

PART II: Policy Change within and across Institutions

4. Recent policy changes

1) EPL, contract types, labour taxation and wages

A) In your opinion, does the Scottish government consider employment protection legislation (EPL) a key issue for tackling youth unemployment in Scotland?

To what extent would you say changes in this area are/have been negotiated amongst government, trade unions and employers? Have they been driven by a process of policy learning or policy transfer in any way?

B) Do you think the issue of contract types (such as, for example, availability of zero-hours contracts) is seen by employers as a key one for tackling youth unemployment? What are the views of the Scottish government on this matter?

To what extent would you say changes in this area are/have been negotiated amongst government, trade unions and employers? Have they been driven by a process of policy learning or policy transfer in any way?

C) Do you think that the issue of wages and pay (i.e. level of minimum wage, living wage, remuneration of interns and apprentices, etc.) is considered by the Scottish government a key one for tackling youth unemployment?

How are changes in this area negotiated between governments, employers and trade unions? Are there any recent examples of policy transfer of effective policy innovation which you can think of in this area?

D) Are there any other barriers which are considered by the Scottish government a key issue for tackling youth unemployment?

Examples could include: labour taxation, including social security contributions, red tape, skills mismatch, etc.?
2) Active Labour Market Policies

- A) From the point of view of the Scottish government, are active labour market policies aimed at supporting young people make a good transition out of unemployment or inactivity or into work important to tackle the issue of youth unemployment? Why?

- B) To what extent do you think that recent innovations introduced in the field of active labour market policies in Scotland and/or in the UK have been effective/ineffective in facilitating STW transitions?
  - Do you think these changes have arisen in any way from a process of policy learning / policy transfer? If so, how?

3) VET AND APPRENTICESHIPS

- A) Thinking about the field of Vocational Education and Training (VET), what would you identify as the most important amongst the innovations and changes which have been introduced in Scotland in the last few years?

- B) Do you think there has been any major path shifts in the structure of Vocational Education and Training in the UK and/or in Scotland, or are these changes examples of incremental change?

- C) Would you say any of these changes have involved processes of policy learning or policy transfer?

- D) What would you say are the major channels of innovation and knowledge transfer/dissemination) with regard to VET and youth labour market programmes in Scotland and across the UK?

- E) Who would you say are the key actors in policy change / innovation in these areas (VET and labour market entry pathways) in Scotland and across the UK?

- F) How would you identify the most urgent problems and barriers to more participation and achievement in education and training for young people? What would be, in your view, an effective innovation with regard to these problems?

- G) Can you think of / describe any (successful or not) policy transfer processes in the UK (from policy options of the EU Commission, or from across specific countries, e.g. US, Canada, Australia, New Zealand) or from other international sources such as the OECD, with regard to some major programmes for tackling youth unemployment as well as with regard to the VET reforms over the last few years?
(ii) STYLE WP4-Task 1: Questionnaire for Employers, Trade Unions and other Stakeholders

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Questions should aim to elicit the interviewees' views/opinions on barriers to and enablers of policy learning/transfer conducive to ‘effective’ policy innovation with regard to STW transitions for youth (with an emphasis to the most disadvantaged youth - the NEETs).

1. **Introduction**

   a) Introduce self; explain purpose and objectives of the STYLE project and of this task in particular; [explain that our focus is on dynamics and mechanisms of policy innovation and policy learning in the field of STW transitions and youth employment]; reassure of confidentiality and ask for permission to record interview.

   b) Could you tell me a little bit about your role and responsibilities within your organisation / department *(tailor according to interviewee)*?
PART I: Dynamics of Policy Change/Innovation: The Macro-Level Perspective

I'm going to start with some questions about your views on the macro socio-economic trends affecting the issue of youth employment and school-to-work (STW) transitions in the UK and in Europe, and how these are addressed and framed by public policy in the UK.

1. Issues and macro socio-economic trends/ shifts

   ▪ A) Thinking about the issue of youth employment in general terms, can you identify any major socio-economic structural shifts (even before the onset of recession)\(^{16}\) that have reduced the number of jobs available for young people / have made transitions from school to work problematic?
     - Probe for trends at UK-level or regional/local level differences (i.e. are some regions affected more by such shifts?)

   ▪ B) What is the view of key stakeholders such as your organisation (e.g. employer association, trade union, etc.) on the main root causes of these problems, and what would you identify as main possible solutions?
     - Note for interviewer: here we are particularly interested in understanding how the policy makers / organisations in question ‘frame’ the problems, but without asking directly about framing.

   ▪ C) What would you identify as the main innovative solutions (if any) which have been introduced (or are being discussed in public debate) in response to these structural trends in recent years in the UK (especially in relation to young people’s STW transition)?
     - Examples here could include the Youth Contract, the strong policy push for apprenticeships and new ways of engaging employers such as the Apprenticeship Trailblazers, pre-apprenticeship training (Traineeships programme), etc.
     - Probe for responses both before and after the crisis.

QUESTIONS D-E: NOT ESSENTIAL (cover only if not mentioned above / if time allows, although they'd be good ones to cover with CBI/CIPD/TUC for example)

   ▪ D) (if not mentioned already): Many commentators identify the on-going polarisation of the employment structure (i.e. the falling employment shares of middle-level manufacturing and routine office workers) as a key structural trend affecting youth employment. What is your view on this issue? How is this perceived by key stakeholders such as your organisation (e.g. employer association, trade union, etc.)?

   ▪ E) Some commentators identify as a potential solution to youth unemployment an education driven ‘supply-push’ - which refers to the idea that expansion of publicly-funded education and training can trigger an expansion in skills supply that in turn will

\(^{16}\) Such as, the impact of technology on jobs and work organisation, the outsourcing effects of globalisation (‘the rootless firm’), and the effects of migration flows.
trigger changes in employers’ product market and competitive profile and lead the economy to higher skills equilibrium.

- Would you identify this as a solution/policy idea supported for the UK by your organisation (e.g. employer association, trade union)?
- Would you say this has been an issue in public debate on policy innovation in the field of youth employment and skills in the UK?
- How and to what extent has this stance influenced policy change? How effective has this been in terms of STW transitions in the UK?

### 1. Governance and Socio-Economic Structure

I’m now going to ask you some general questions about the institutional framework and the governance structure of the UK [at local/regional/national level, to be tailored according to interviewee]. In particular, we’re interested in understanding the way in which policy innovation and policy transfer happens in the UK, especially in relation to young people’s STW transitions, and what are its drivers or obstacles.

- a) In your opinion and on the basis of your area of expertise, what would you say are the main triggers/and enabling factors which currently help policy innovation and/or transfer in the UK (esp. in relation to youth policy, STW transitions and youth employment)?

**Probe for:**

- Strong tradition of evidence-based policy making (and triggers linked to labour market / demographic forecasts)
- Political/policy environment conducive to policy innovation and transfer (sharing of good/best practices, benchmarking, inter-departmental liaison and sharing of good practice, peer reviews, etc.)
- Extensive use of piloting and experimentation methods
- Policy guidelines/frameworks developed from evidence-based policy informed by robust national and international research and evaluation
- Peer learning from other countries (for the UK this is mainly the US, Canada, Australia and New Zealand)
- Peer-to-peer policy learning and transfer (among employer and other professional associations) – Codes of conduct, charters, ‘good practice’
- EU influence (though EU-funded programmes, soft/hard law such as Directives, peer learning as part of the EU’s mutual learning programme, etc.)
- Influence of other international institutions (e.g. OECD, IMF)
- Close liaison with/lobbying by other actors such as employers/employer associations, trade unions, think tanks/experts, policy entrepreneurs, etc.
- Any other?
b) And what would you identify as the main constraining factors (obstacles) which currently hinder innovation in and/or transfer of successful youth-related policies?

c) (if not already mentioned / discussed): Are any of these factors linked to the existing governance structure of youth-related policy in the UK, i.e. structural enablers?

- For example, do you think that the current devolved governance structure in the UK (and/or a decentralised network of government agencies) promote diffusion of information/knowledge and facilitate adoption/spread of innovative practices/programmes (e.g. in youth-related policies, vocational training, activation, etc.)?
- How does this fit in or interact with the UK’s traditional focus on centralised systems of governance?

2. The Policy Learning Framework

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<th>QUESTIONS</th>
<th>A-F: COVER WITH ALL INTERVIEWEES</th>
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- A) Can you think of one or more specific case or example of a recent policy development which you would consider as a good example of policy innovation and/or of policy transfer in the area of youth employment policy / STW transitions in the UK?

  If necessary, specify: we are particularly interested in examples of policy changes which were introduced in response to the 2008 financial and economic crisis and the resulting increase in youth unemployment / NEET rates.

  - Would you say this (mentioned example of policy change) was a case of incremental change (i.e. adjustment of existing policy instruments or programmes, or conversion of old programmes towards new purposes), or were the objectives of policy also completely changed?
  - In this case, could you identify key actors (i) who initiated innovation and (ii) who contributed to innovation diffusion of innovation in relation to youth-related policies at central, regional, local level (and with regard to major stakeholders)?
  - What would you identify as the main source of this policy innovation? Was it a case of peer-to-peer learning (i.e. across nations / local authorities / councils)? Or was it a case of policy transfer or borrowing from abroad?
  - If there have been any significant cases of lesson drawing from other good practice examples (either internal or from abroad), how would you describe the nature/type of policy transfer?
    - Has it been a case of (a) copying, i.e. direct and/or complete policy transfer; or
    - (b) emulation, i.e. transfer of the ideas behind the policy or programme, but changing the instruments of the policy or the way it was implemented?
Can you identify any specific limitations / obstacles to the adoption or spreading of this specific policy innovation?

B) Besides this example, are there other actors which you would identify as important for the initiation of innovation in the youth employment policy field, and for the spreading of good practice in the UK/in your nation/region?

C) In your opinion and according to your knowledge, is policy learning (and learning from good practice) either across the UK or from the EU and/or overseas (e.g. US, OECD) a major theme of the ‘political/policy’ agenda in the UK (at the national and or regional/local level)? By policy learning, we mean the process by which policy programmes and objectives are penetrated by new knowledge, and in turn updated/adapted.

Would you consider this an important channel of policy innovation and policy change in the UK?

Can you think of one or more examples in which recent policy change or innovation has been driven by a process of policy learning?

D) How important, in your opinion, is peer-to-peer policy learning and innovation in the field of youth employment policy and STW/NEET policies (concerning codes of conduct, charters, ‘good practice schemes’, etc. developed by employer associations, professional bodies), and how important is this policy learning/policy transfer channel?

If it is important, can you give specific examples of peer-to-peer policy learning?

E) Thinking beyond the domestic sphere, do you think that channels of policy influence / policy diffusion from supranational bodies play a role in driving policy innovation in the UK? If so, which ones? (Probe for: EU funded programmes, EU soft/hard law, e.g. directives, OECD recommendations, ESF and other EU conditionalities). How important are they for effective policy innovation? [if not important], Why do you think that’s the case?

If not covered already: Could you think of any specific cases with regard to recent policy developments in the field of youth employment and STW transitions, in which a policy innovation originating from a supranational body was introduced in the UK?

F) Can you think of any cases in the UK of directly ‘coercive’ policy transfer (e.g. policy change imposed supra-national institutions such as the EU – for example ESF or other conditionalities).

How effective/ineffective have these cases of policy innovation/transfer been?

G) Again, thinking of policy learning and transfer of policy innovations from abroad: in your experience / according to your knowledge, which countries does the UK traditionally looks to for policy transfer/borrowing, especially in relation to youth-related policies?

If not covered already: Could you think of any specific cases with regard to recent policy developments in which a policy innovation borrowed or transferred from another country was
QUESTIONS L – O (POLICY LEARNING) - optional: to cover with all interviewees only if relevant / if time allows (e.g. if they don’t respond well to questions above about policy transfer etc, do not bother with the following ones)

- I) Reflecting overall, in your opinion what conditions prevent or facilitate ‘learning’ (defined as the penetration of policy programmes and objectives by new knowledge) at various levels of governance relevant for STW transitions policy?
  - What do you think makes it more or less easy for policy makers / employers / stakeholders to adapt their policy and practice on the basis of new evidence?

- J) To what extent would you say the major institutions involved in vocational education and training, STW transitions, and youth labour market policies in the UK (we should name some examples here) are able or willing to ‘learn’, i.e. acquire knowledge about the latest state-of-the-art best practice and adapt their programmes, approaches, etc. accordingly and in line with the specific needs of young people?
  - If learning is limited / does not happen, why do you think it’s the case? Do you think certain organisations / institutions are more open or receptive to new knowledge and evidence than others?

- K) Can you identify any major conduits of ‘knowledge’ informing policy within and across various levels of governance (including the supranational EU level), which are important in the UK?
  - Probe for:
    - co-operation and peer learning between UK’s national administrations and/or departments
    - peer reviews as part of the European Commission’s Mutual Learning Programme
    - the EU’s Open Method of Co-operation
    - expert networks
    - policy entrepreneurs, i.e. actors who initiate, transfer and implement new ideas,
    - international organisations such as the OECD,
    - other countries/regions, e.g. the US, Canada, Australia, etc.?

- L) Would you locate any ‘cognitive’ obstacles to (effective) innovation among major actors regarding STW transitions and youth labour markets?
  - Probe: do these arise from the prevailing organisational culture of government departments / stakeholders/ employer organisations / local authorities / trade unions, etc.? Or
  - Do you think the way in which issues related to youth employment are traditionally approached, framed or perceived by major stakeholders in the UK may act as an obstacle to learning and policy change? Any other reasons?
PART II: Policy Change within and across Institutions

4. Recent policy changes

FOR THE FOLLOWING QUESTIONS: only ask those which are relevant to the field/area of interest or operation of the interviewee, and only if time allows.

1) EPL, contract types, labour taxation and wages

- A) In your opinion, does your organisation (e.g. employer association, trade union, etc.) consider employment protection legislation (EPL) a key issue for tackling youth unemployment in the UK?
  - To what extent would you say changes in this area are/have been negotiated amongst government, trade unions and employers? Have they been driven by a process of policy learning or policy transfer in any way?

- B) Do you think the issue of contract types (such as, for example, availability of zero-hours contracts) is seen by employers as a key one for tackling youth unemployment? What are the views your organisation (e.g. employer association, trade union, etc.) on this matter?
  - To what extent would you say changes in this area are/have been negotiated amongst government, trade unions and employers? Have they been driven by a process of policy learning or policy transfer in any way?

- C) Do you think that the issue of wages and pay (i.e. level of minimum wage, living wage, remuneration of interns and apprentices, etc.) is considered by your organisation (e.g. employer association, trade union, etc.) a key one for tackling youth unemployment?
  - Are there any recent examples of policy transfer of effective policy innovation which you can think of in this area?

- D) Are there any other barriers which are considered by employers/trade unions a key issue for tackling youth unemployment?
  - Probe for: labour taxation, including social security contributions, red tape, skills mismatch, etc.?

2) ALMPs

- A) From the point of view of employers/trade unions, are active labour market policies aimed at supporting young people make a good transition out of unemployment or inactivity or into work important to tackle the issue of youth unemployment? Why?

- B) To what extent do you think that recent innovations introduced in the field of active labour market policies (such as, for example, the Youth Contract / the Traineeship programme / any other example – think of what we want to ask about ahead of interview) have been effective/ineffective in facilitating STW transitions?
Do you think these changes have arisen in any way from a process of policy learning / policy transfer? If so, how?

(Changes may involve:
(a) incentive reinforcement (to strengthen positive work incentives through tax credits, benefit conditionality, sanctions etc.);
(b) employment assistance (to remove obstacles to employment and facilitate entry/re-entry into the labour market, e.g. expansion of Public Employment Services (PES) providing assistance, job-counselling, job search programme and job creation schemes (to keep jobless young connected with the labour market);
(c) human capital investment (basic education, apprenticeships, traineeships and other work experience placements provided by PES and other public or private bodies);
(d) any other special schemes?).

3) VET AND APPRENTICESHIPS

- A) Thinking about the field of Vocational Education and Training (VET), what would you identify as the most important amongst the innovations and changes which have been introduced in the last few years?
  - Probe for:
    - Wolf and/or Richard Review leading to reform of VET and increased focus on apprenticeships
    - Apprenticeship Trailblazers
    - Expansion of Higher Apprenticeships
    - Employer Ownership of Skills agenda
    - Introduction of Traineeship programme (i.e. pre-apprenticeship training)
    - Introduction of Apprenticeship Grant for Employers
    - 16-19 study programmes focusing on high quality and meaningful work experience for both general education and VET students
    - University Technical Colleges (UTCs)
    - Anything else…?

- B) Do you think there has been any major path shifts in the structure of Vocational Education and Training in the UK, or are these changes examples of incremental change?

- C) Would you say any of these changes have involved processes of policy learning or policy transfer?
D) What would you say are the major channels of innovation and knowledge transfer/dissemination (at the national, sub-national level, in the UK) with regard to VET and youth labour market programmes?

E) Who would you say are the key actors in policy change / innovation in these areas (VET and labour market entry pathways)?

F) From your knowledge of the labour/employer market, are there any specific industries / employers who recruit directly from education (especially school leavers)? Could any lessons been drawn from these ‘examples’ with regard to expanding entry points in the labour market for youth? Would you consider this as an effective solution to issues of youth unemployment and prolonged STW transitions, or can you identify any drawbacks to this policy solution?

G) How would you identify the most urgent problems and barriers to more participation and achievement in education and training for young people? What would be, in your view, an effective innovation with regard to these problems?

H) Can you think of / describe any (successful or not) policy transfer processes in the UK (from policy options of the EU Commission, or from across specific countries, e.g. US, Canada, Australia, New Zealand) or from other international sources such as the OECD, with regard to some major programmes for tackling youth unemployment as well as with regard to the VET reforms over the last few years?

4) WELFARE POLICY AND BENEFITS

A) Do you think that requirements/conditions concerning access to unemployment benefit (UB) considered a key issue for tackling youth unemployment? How effective/ineffective do you think changes and innovations which have been introduced over the last few years (in terms of increasing the conditionality attached to benefits receipt and the tightening of the sanctions regime, etc.) have regarding STW transitions?

   o Do you think any of these changes (particularly for youth) emanate in a context of policy learning / policy transfer?

(Changes may involve: stricter entitlement conditions; policies for tackling unemployment/inactivity traps (e.g. the marginal effective tax rate to take up a job); UB duration, time profile of benefits; job search and work availability; any other measures?).
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