Summary of research

Context

The main objectives of the New Deal for Young People (NDYP) are to help people aged 16-24 find and retain employment, and to improve their long run employability. Despite a clear commitment to equality of opportunity under the New Deal, some have questioned whether the NDYP has served ethnic minority communities as well as the white population. The main body of empirical research into New Deal has been based mainly on monitoring statistics or on survey data. We argue that in order to best understand the impact of the New Deal on young people form ethnic minority communities; it is necessary to understand their individual situations, expectations and experiences. This research provides qualitative evidence regarding the experiences of the New Deal of young people from ethnic minority communities in Oldham, Greater Manchester.

Design

The research is based primarily on a qualitative longitudinal study of New Deal participants (and non-participants) in Oldham in Greater Manchester, though a broader context is provided through analysis of the New Deal Evaluation Database, the Oldham Labour Force Survey (1997) and interviews with key providers. Participants were initially contacted either when they first became eligible for New Deal, or during either the Gateway or option stages. In addition a number of non-participants were identified from those eligible for the New Deal, but who chose to withdraw from the benefits system. Where possible all interviewees were re-interviewed at subsequent stages of the New Deal and after completion or dropping out. Overall 75 mainly Pakistani and Bangladeshi young people gave a total of 130 semi-structured interviews at various stages of the New Deal. The main results are as follows:

Attitudes to work

Our research showed that there was a general high level of orientation towards work amongst young people on the NDYP though this was related to a number of factors including previous experiences of work and training, potential for alternative employment and gender. On the whole the interviewees had fairly positive expectations of the New Deal and the priority of the large majority was to find a job.

The Gateway

The Gateway was initially viewed with enthusiasm. In particular the personalised approach of the New Deal was almost universally welcomed, and it was the strength of the relationship with the personal adviser that appeared to shape the
subsequent level of satisfaction with the New Deal. However, some participants, especially the better qualified, found Gateway activities repetitive and boring. Participants re-interviewed at later stages were much more negative about Gateway than they had been at the time, especially in comparison with the New Deal Options.

New Deal Options

Generally, options were perceived much more favourably than the Gateway. Participants on subsidised employment options were the most satisfied with their placement although graduates were the least satisfied with their placements, arguing that it was not geared to the kind of employment they wanted. However, it is clear that the value of subsidised employment was not solely in terms of having a job, but also in terms of the improvements in employability it engendered. Confidence, experience and job specific skills were the main positive aspects identified by our respondents.

The full-time education and training option presented an opportunity for some young people to follow an educational path and still be eligible for benefit. This was seen as a positive aspect of the NDYP. The voluntary sector option was found to be the least well received. One of the most common criticisms across all of the options was the lack of contact with personal advisors once the options began.

Non-participation

Many young people actively avoided the New Deal by finding unsubsidised employment, which was often poorly paid, or informal work. Others dropped-out, not because they were actively seeking to avoid the NDYP, but because of other commitments (such as domestic responsibilities). Our research emphasises the fact that participants are a self-selected section of young unemployed people, and that there are major differences between participants and ‘avoiders’. Most notably, non-participants were much more disaffected with the labour market and more negative about the New Deal.

Outcomes

Our research has shown that objective outcomes, particularly employment, can be problematic for a number of reasons.

First not all employment is good employment. Some young people in our sample felt forced into badly paid or unsuitable employment.

Second, it was found that many young people who gained employment through the New Deal felt they had obtained (and sustained) employment through their own efforts. Young people were concerned to emphasise their own initiative,
discipline and willingness to work hard, with the NDYP providing the right opportunity at the right time.

Third, many young people (especially women) left NDYP due to external factors (such as the need to look after home or family), without finding employment, yet gained from the New Deal in terms of employability.

Overall, positive labour market outcomes were less common than perceived improvements in employability. Work experience (on New Deal options) was viewed as one of the major positive outcomes from participation. The key employability indicators of improved job readiness, increased confidence and improvements to CV through work experience were all mentioned by a number of participants.

Conclusions

There are many complex pathways through the New Deal with individuals having a huge range of needs, barriers and expectations. Given this complexity, it is not altogether surprising that the personalised approach offered by the New Deal is so popular with young people. There are also clear advantages to participants in terms of the experience offered by the options and the opportunities that the NDYP presents in respect to further education. In these terms the NDYP clearly represents a departure from previous schemes (such as YTS) and has had a generally positive reception from participants. However, there are two major caveats. First participants are not necessarily typical of the client base. Second employability does not necessarily lead to employment, especially in towns such as Oldham, which has historically seen racial segregation in the labour market.