

The weakest link? Job quality and active labour market policy in the UK

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The weakest link? Job quality and Active Labour Market Policy in the UK

1) Introduction

For many years the labour market model in the UK was bound-up with a predominant concern with job quantity, but with considerably less attention to job quality (Lauder, 1999). Recently however, there has been a shift in policymaking towards a greater concern with the idea of 'good work'. In active labour market policy (ALMP) the shift is most readily seen in a growing interest in labour market progression, and a process of policy searching for how employment services might support greater labour market mobility.

Within this context, this chapter explores ALMP approaches and practice in the UK alongside a wider national discourse about increasing good work. The chapter evaluates the extent to which ALMP is a weak link in seeking progress towards good work: firstly, as a result of the historically embedded nature of the employer engagement function within particular types of networks of employers with basic labour demand needs; and secondly how this has been supported by a work-first system in which jobseekers are encouraged, and can be mandated, to accept available opportunities. The argument is made that within this system there is only limited scope for public employment services to engage with a good work agenda, or to exert upwards institutional pressure on job quality. However, the current context of labour and skills shortages offers ALMP an opportunity to capitalise on some upward pressures on job quality.

The chapter is structured as follows. The labour market context in the UK is described initially, followed by an appraisal of recent developments around the good work agenda, and a discussion of the labour market trends which frame current opportunities. The following sections then provide a discussion of the evolution of ALMP in the UK, and the role of employer engagement within ALMP set against a changing policy context: but one in which work-first remains largely embedded. The final section provides a discussion of what this evidence suggests about the relationship between ALMP and job quality.

2) Context

Historically, the focus of employment policy in the UK has been on reducing unemployment. Hence, the quantity of jobs available has been a primary concern. However, over the last decade or so, as employment rates rose to record levels, concerns about in-work poverty have grown, with the proportion of working-age adults in working families who experience in-work poverty rising to more than one in seven (Innes, 2020). The relationship between employment and poverty is complex, but it is clear that in some sectors and occupations long working hours are not sufficient to protect individuals from poverty (Sissons et al., 2018).

Although the structure of employment has changed over time, evidence suggests that poor quality jobs are a persistent feature of the UK labour market, with some workers experiencing limited wage progression and remaining in low-paid work for long periods (D'Arcy and Hurrell, 2014; Kumar et al., 2014; Lee et al., 2018). Several studies have traced a polarising labour market, with jobs growth at the top and at the bottom of the wage distribution (Goos and Manning, 2007; Fernandez-Macias et

al., 2012; McIntosh, 2013). Analyses over three decades (Salvatori, 2018) suggest that the polarisation process is well-established, with the employment growth in high-skill occupations always exceeding growth in low-skill occupations; the general increase in educational attainment contributes to this latter trend. The result is a so-called 'hollowing-out' of the employment structure, with fewer jobs in the middle of the distribution. This, in turn, has implications for progression within employment and out of low pay.

Evidence suggests that low-paid workers are less likely than high-paid workers to work for employers that are willing to invest in their training and development (Lindsay et al., 2012; Devins et al., 2014; Sissons, 2020), which might help them progress in work. Literature on the low-skills equilibrium suggests that some firms are entrenched in low-skills low-wage models of operating (Wilson and Hogarth, 2003; Green, 2016; Green et al., 2021a). In such a situation they face few labour or skills shortages and have a viable business model, so there is little incentive to participate in education and training and raise qualification levels and aspirations of a predominantly low-paid workforce.

Firms with a low-skills low-wage model will struggle to generate skills and productivity improvements without changing their product market or competitiveness strategies (and generally they face limited pressures to do this), or in the absence of external economic or regulatory factors (such as raising the minimum wage). Firms entrenched in a low-skills low-wage model are likely to be part of the so-called long tail of least productive firms. While a gap between the most and least productive firms is not unique to the UK, concern about the UK's poor productivity performance relative to international competitors have risen up the policy agenda over the last decade. The financial crisis and recession of 2008 resulted in a marked downwards shock in productivity levels, and thereafter productivity growth rates were markedly lower than the pre-crisis trend. The UK's poor levels of productivity have been attributed to underinvestment in technology, research and development (R&D), digitalisation, skills training and management practices (McCann, 2018; Oliveira-Cunha et al., 2021).

3) Creating Good Work

Concerns about productivity, in-work poverty, employment precarity, labour market polarisation and associated outcomes related to job quality are increasingly debated under a 'Good Work' label. Interest in good work in a UK and devolved nations context had been growing for some time, but it was the commissioning and publication of the independent Taylor Review of Modern Working Practices (Taylor et al., 2017) that really added impetus to growing policy interest in the topic. The Taylor Review looked at the implications of contemporary business practices, including the rise of flexible/atypical forms of working and the gig economy, for worker rights and responsibilities and employer freedoms and obligations. The Review's recommendations were based on the premise that all work in the UK economy should be fair and decent with realistic scope for development and fulfilment, and that the achievement of these goals mattered for people's health and well-being and for tackling low productivity. In essence, the Review called on the government to pay closer attention to the quality of work alongside the quantity of work. The Government responded to the Taylor Review with a Good Work Plan in 2018, placing equal importance on the quality and quantity

of work and setting out the need for legislation and enforcement to address insecure and exploitative work.

The Good Work Plan (HM Government, 2018) noted that quality work means different things to different people. However, while Good Work is a broad concept with no universal meaning, it is generally related to an individual's wellbeing in employment and the factors which impact this. Recurring key components of Good Work are rate of pay, employment type, security of contracts, working conditions, opportunities for individual growth – including through opportunities for training and progression - wellbeing, freedom and support. These are reflected in a measurement framework for job quality developed by a Measuring Job Quality Working Group convened by the Carnegie UK Trust and the Royal Society of Arts in 2018, comprising 18 measures across seven foundations: terms of employment, pay and benefits, job design and the nature of work, health safety and psychosocial wellbeing, work-life balance, social support and cohesion, and voice and representation (Irvine et al., 2018). In practice, the relative weights that individuals place on different aspects of Good Work depend on their circumstances, personalities and expectations.

In Scotland and Wales concerns with Good Work have been advanced under the banner of Fair Work. According to the Fair Work Convention in Scotland, fair work is work that offers effective voice, opportunity, security, fulfilment and respect, that balances the rights and responsibilities of employers and workers and that can generate benefits for individuals, organisations and society. Likewise, according to the Fair Work Commission in Wales, fair work is where workers are fairly rewarded, heard and represented, secure and able to grow and progress in a healthy, inclusive working environment and, importantly, where legal rights are respected and given substantive effect.

The latter represents a point of leverage to deliver good work. Prior to the Covid-19 pandemic when there was a step change in state intervention in the economy, successive UK governments have tended to restrict their involvement in the market economy, with the exception of minimum wage policies and enforcement of employment regulations. Aside from the activities of the devolved nations in promoting fair work, some local authorities and metro mayors have harnessed their soft power over their local economies, using informal measures to persuade local employers to implement decent work policies, including through living wage policies and employment charters (Johns et al., 2019). There are also examples of learning from co-designed programmes for boosting productivity, including in particular sectors characterised by low pay and limited progression opportunities. The short- and longer-term evaluation of the UK Futures Programme, in which between 2014 and 2016 the UK Commission for Employment and Skills (UKCES) brought together a series of co-investment projects supporting the development of innovative employer-led solutions to workforce development challenges limiting business performance, emphasised a role for place-based initiatives here, utilising local stakeholders from local anchor organisations to address common challenges through the development of a localised project ecology (Thom et al., 2016; Green et al., 2019). Examples include a hospitality-focused project in Cornwall which worked with local businesses to enable advancement within the sector through new professional development opportunities, and an initiative in St Helens in north-west England bringing together micro- and small firms to enhance management and entrepreneurial skills with a view to increasing their growth

potential and contribute to local economic development. Regionally and locally, there is some evidence that economic recovery strategies are embedding Good Work and job quality indicators in monitoring and performance frameworks (Green et al., 2021b).

4) Labour market trends

The Taylor Review (Taylor et al., 2017) set out key features of, and trends in, the UK labour market. It highlighted the greater flexibility of the UK labour market compared with the labour markets of many international competitors, characterised by a relatively high employment rate and a low unemployment rate. In terms of the profile of the workforce key trends, it noted the faster increase in participation rates for females compared with males and for older people (aged 50 years and over) compared with younger people – for whom participation rates in education increased. Looking back over the previous twenty years, it reported that while full-time, permanent work as an employee continued to comprise the majority of employment in the UK (63 per cent), there had been a shift towards more flexible forms of working, with changes in levels of self-employment and part-time working in particular, as well as agency and temporary work. Despite a relatively high employment rate it emphasised evidence of persistent under-employment, defined as workers wanting more hours. Going forward the Review identified underemployment, poor real wage growth, poor productivity performance, new business models, skills mismatch and increasing automation as challenges for the labour market.

Key medium-term trends in employment by sector and occupation include an increase in employment in business and other services and in non-marketed services, alongside a decline in employment in manufacturing despite a growth in output driven by continuing automation in the sector. Projections indicate that these broad trends are expected to continue in the future (Wilson et al., 2020). Changes in the occupational employment structure have been driven by changing sectoral employment patterns and technological and organisational trends influencing the patterns of occupational demand within sectors. Over the medium-term, managers, professional, and associate professional and technical occupations have seen significant increases in employment, as have caring, leisure and other service occupations. Administrative and secretarial occupations have seen declining employment as a result of technological innovations in the office environment, with skilled trade occupations also seeing long-term employment decline.

Against these medium-term trends, the Covid-19 pandemic represents a large shock to labour markets worldwide. The general impact across the developed world has been to accentuate existing trends and inequalities in the labour market. In particular, it has accelerated trends towards digitalisation. In the UK it had uneven impacts sectorally, with the accommodation and food services sector and arts and entertainment amongst the sectors hardest hit. It resulted in lower labour force participation of particular groups, notably younger and older age groups. Between March and May 2020, the seasonally adjusted claimant count increased from 1.25 million to 2.68 million in the UK. The Government sought to protect jobs through a number of schemes, notably the Coronavirus Job Retention Scheme which paid 80 per cent of employees' wages (up to £2,500 per month) in the first instance, and 'furloughed' 11.7 million people between March 2020 and September 2021 (Powell and Francis-Devine, 2021).

Although the economy has seen recovery since, many jobs hit by the pandemic have not (yet) returned. At the time of writing (in November 2021) aggregate levels of vacancies have recovered to pre-pandemic levels, with some firms experiencing difficulties in filling vacancies in particular jobs, with HGV drivers as a prime example (Jung and Collins, 2021); but the broader picture across sectors is less favourable. Analyses by the Institute of Fiscal Studies (Costa Dias et al., 2021) taking account of individuals' current and recent occupations and their pre-pandemic pattern of movement between occupations, shows that new opportunities are strongest in lowest-paying occupations, but a large share of workers still face reduced opportunities compared with before the Covid-19 pandemic. Groups more likely to see increased opportunities than average (based on pre-pandemic employment patterns) are those with the lowest levels of formal qualifications (especially compared with graduates who are more likely to see reduced opportunities). For 64 per cent of unemployed workers competition for relevant job openings is at least 10 per cent greater than before the Covid-19 pandemic. While this picture is likely to change over time, it emphasises challenges in achieving full employment and good jobs for all.

5) ALMP in the UK

As has been detailed in the preceding sections, the interest in good work in the UK has grown over time, and particularly in recent years. In many respects, for much of this period good work conversations have developed in isolation from core approaches to employment as enacted through ALMP. This section now details the development of ALMP over time, before discussing the recent evolution of focus towards in-work progression which provides an emerging link to the wider good work agenda.

The development of ALMP in the UK

The ALMP framework in the UK which has developed over the past thirty years has been characterised by two broad elements. The first is that the system has become increasingly based around ideas of conditionality. The second is that the process of 'activation' has been broadened to include a large number of groups – including single parents and disabled people – who have previously been largely outside this framework. It is worth noting also that in a comparative context, ALMP in the UK is historically characterised by the over-arching focus on 'work first', and speed of work entry and benefit exit, combined with relatively low levels of per-head spending associated with human capital development and long-term opportunity (Berry, 2014).

Important changes to UK ALMP framework include the establishment of Jobseekers' Allowance (JSA) and the roll-out of the New Deal programmes. Jobseekers' Allowance (JSA) was introduced in 1996 and marked a significant watershed in UK social security, with new powers for benefit officers to enforce job-seeking among claimants (Novak, 1997). Building on this approach the New Labour Government created a new framework for ALMP built on the idea of a New Deal. The New Deal programmes were an explicit extension of the move from a passive to an active benefits system, and one which was organised around a 'work-first' principle (Finn, 2003). Beginning in 1997, a succession of New Deal programmes focused on different groups of benefit claimants, including mandatory

programmes for young people and the long-term unemployed, and voluntary programmes for single parents, the disabled and partners of the unemployed (for an overview see Hasluck, 2000). These changes drew on experiences of programme design and emergent Workfare experiments in the US (Peck and Theodore, 2001; Sunley et al, 2006).

Subsequently, with a change of Government, a new over-arching employment programme, The Work Programme, was introduced in 2011. The Work Programme model was notable in two respects. Firstly, it extended previous trials and initiatives with private providers of employment services, and made these the main delivery vehicle for support to the long-term unemployed. Secondly, it embedded a payment-by-results model which gave greater weight to sustained employment outcomes, rather than simply job entry. The Work Programme was developed to provide more individually tailored support as a means to encourage sustainable employment outcomes. However, while there was considerable flexibility within the 'black-box' of the programme, which did seem to increase work entry, evidence suggests these initial gains did not persist over the long-term (Ray et al, 2014).

The most recent phase of ALMP development has been the introduction of a new benefit – 'Universal Credit' (UC). UC has been introduced in a phased roll-out replaces six existing benefit streams and will cover around 8 million households (Millar and Bennett, 2017). The introduction of UC is a major change in the UK social security system, and one which re-draws the boundaries of social security activation in relation to the distinction between work and non-work benefits. Individuals on UC who enter employment on a low income remain on UC as an in-work benefit, with a taper rate designed to incentivise taking on additional hours or employment. UC also develops an in-work support process for those who have moved into work. The in-work support is designed to encourage individuals on low-wages to take on additional hours, additional jobs or to move to higher-paid work; controversially, it also includes provision for compulsion and mandation.

The introduction of UC has been the subject of a range of criticisms. These include linking the introduction of UC to impacts on health and well-being (Wickham et al, 2020) and critiques of the gender and dependence implications of the benefit (Millar and Bennett, 2017; Andersen, 2020). Critiques have also focused on the elements of conditionality and sanctions associated with UC (Wright and Dwyer, 2020). UC extends work requirements into the workplace, to those in employment and on low-pay – generating what Wright and Dwyer have termed a 'relentless coercion towards 'more work'' (page 11), and the 'deepening and widening control of claimants' lives' (Millar and Bennett, 2017; 169). In this sense UC is argued to be not just about work, but about economic independence from state support (Dwyer and Wright, 2014; Reeves and Loopstra, 2017).

Employment sustainability and progression within ALMP

As ALMP programmes have become embedded in the UK, the focus on the outcomes of these programmes has also begun to evolve. In particular, in recent years there has been a greater concern to 'design-in' an emphasis on employment sustainability and, most recently, wage progression.

A major development demonstrating the shift in thinking towards the sustainability of employment outcomes was the roll-out of the Employment, Retention and Advancement (ERA) pilot in 2003. Drawing in large part on a delivery approach developed in the US, ERA had two target groups – the long-term unemployed and single parents. The programme provided several different types of support – including access to job coaching, services, financial support for training (up to £1000) and employment/career guidance (Hendra et al., 2011). The programme also included a financial incentive for participants in the form of a work retention bonus of £400 which was paid every 17 weeks for those remaining in work and meeting a minimum hours threshold (up to a maximum of £2,400). The large-scale randomised evaluation of ERA demonstrated positive outcomes, although these faded over time for the single parent group (Hendra et al, 2011). The training provision appeared less successful in securing earnings gains; although the reasons for this are not well-understood (Ray et al, 2014).

Greater emphasis on the sustainability of employment outcomes was subsequently designed into the (largely) private provider-led Work Programme. The Work Programme's 'payment by results' model included a relatively small attachment fee with performance-based payments on job outcomes (at either three or six months after entry), and particularly employability sustainability (payable every four additional weeks the individual remained in work [although not necessarily in the same job], for either 12, 18 or 24 months depending on group). However, evidence suggested that this change largely did not spur significant transformation in delivery practice (Ray et al, 2014), and that harder-to-help groups did not benefit from the potential for tailored support in ways in which the programme design had envisaged (Rees et al, 2014).

Most recently, UC has sharpened the focus again on not just the sustainability of employment outcomes but also on issues of progression once in work. One important aspect which UC changes is the nature of the relationship between worker and employer – creating, in effect, a tripartite relationship between individual, employer and government. This focus on in-work progression is examined in greater detail in the following section.

New directions for employment progression

UC represents, at least in part, a new direction in ALMP in the UK. It effectively opens-up a new frontier of activation. The introduction of UC therefore reworks in some respects the way in which public employment services – Jobcentre Plus (JCP) – engages with benefit claimants. In addition to the established JCP advisor role, which is orientated towards work entry, 'Work Coaches' will seek to play a role in encouraging individuals on UC and in work (on a low income) to pursue opportunities for wage progression.

While the pandemic has altered elements of UC and appears to have to slowed down the practical delivery of the framework, there is recent evidence that the focus on progression is becoming embedded. The Department of Work and Pensions has established an In-work Progression Commission tasked with developing ideas and recommendations around progression policy. The report of the Commission provides an outline of the dimensions of the policy, which are likely to be

taken-up as a focus (In-Work Progression Commission, 2021). This includes an evolution of the role of JCP, moving towards the delivery of a series of progression-focused ‘career conversations’. Some early experimental evidence suggests that the intensity of support provided by Work Coaches can be associated with higher earnings (although it was also associated with more sanctions) (Department for Work and Pensions, 2018). Additionally, the Commission highlights the possibilities of better embedding information and access to wider learning and skills opportunities, and sector-focused ‘bridging courses’ (including access to apprenticeships). In a departure from the predominant concerns with the supply-side which have typified much of ALMP in the UK, the In-Work Progression Commission sets out the need for more action on the employer side to develop more transparent and accessible progression pathways, as well as suggesting a new registration body for care workers (a major low-paid sector) in England to support with development and progression. Finally, the Commission highlights opportunities to do more using the opportunities of procurement, and the need to address wider transport and childcare barriers to in-work progression.

Through this work the In-Work Progression Commission is beginning to move beyond the established supply-side focus, and to situate the ALMP framework within a wider policy framework of ‘good work’ (as discussed above). However, the scale of the ambition, for example around skills and training, is relatively limited, and suggests a modest evolution of role rather than a wholesale shift from work-first to career-first. The employer-focused suggestions are voluntaristic, and the means of influencing employer practices are unclear. For example, there is no clear sense of how ALMPs might be developed to seek to change or challenge employer behaviours. Below we discuss the issues around the progression agenda and its wider links, including constraints in delivering a good work agenda, starting with the employer engagement function in ALMP.

6) Employer engagement in ALMP

The employer engagement function in ALMP

The employer engagement function has been an important element of the development of the ALMP framework. JCP acts as a matching agent – hosting employer vacancies through the Find a Job site (previously known as Universal Job Match), and using this as one mechanism of job matching for claimants. Employers have been engaged in a variety of ways as part of employment programmes; in particular this has been encouraged through the development of employment programmes more focused on being demand-led (and often sector demand-led). However, overall the ALMP system in the UK has developed around a predominant model characterised by a reliance on employers who rely on a large supply of low-paid labour (Martin and Swank, 2004; McGurk, 2014).

The New Deal Innovation Fund, introduced in 1999, developed a ‘demand-led’ approach in a number of sectors aimed at improving engagement with employers to better understand their needs (Fletcher, 2001). However, although understandings of employer needs were improved through the programme, there was less progress on influencing employer recruitment practices, and encouraging recruitment from more disadvantaged groups, or support for employee retention (Fletcher, 2004). Such approaches to employer engagement were taken forward in the Fair Cities

Pilot (2004-2008), which designed pre-employment training to match the vacancy needs of large local employers, and supported disadvantaged ethnic minority residents to access these opportunities (Atkinson et al., 2008). Local Employment Partnerships (2007-2010) also used this pre-employment model, alongside a recruitment subsidy (in response to the 2008 recession), and prioritised employer engagement. The programme evaluation found some evidence that closer employer engagement did provide a means for 'Jobcentre Plus staff to challenge employers' recruitment practices ... thus opening doors for disadvantaged jobseekers to apply for vacancies' (Bellis et al., 2011: 17). However, it is unclear how widespread such changes were, or whether such conversations extended into other aspects of good work.

These approaches to employer engagement, focused on opening-up employment entry, continued with the Work Programme, with providers developing their own employer engagement functions (Ingold and Stuart, 2015). However, as noted by Ingold (2018), employers firmly held the power in this relationship, with little scope for providers to influence employer practices in a way that might support improved employment quality, and with the emphasis on the individual needing to fit the job rather than vice-versa. Employer engagement has also been a major strand of the public employment services administered Sector-based Work Academies (SBWAs) (introduced in 2011), now known as the sector-based work academy programme (SWAP), which developed a pre-employment training and work experience model, alongside a significant employer engagement function and an overall sector-focus typically driven by a large number of sector vacancies locally. SBWAs have operated in sectors including retail, hospitality, care, teaching, manufacturing, logistics, food and administration (Department for Work and Pensions, 2016).

Overall, the types of sectors and employers that employer engagement models have focused on appear to have yielded relatively little change in terms of the quality of jobs made available through the ALMP system, with little evidence to suggest any significant in-roads in terms of the application of any upwards institutional pressure on the practices of employers and the quality of the employment offer to those looking for work. In short, while employer engagement functions within ALMP in the UK appear to have been relatively successful in understanding and meeting employer needs, as well as potentially opening-up entry level vacancies to disadvantaged groups, there is less evidence to suggest they have effectively functioned as a 'disruptive strategy' to 'expand the pool of better jobs' (O'Regan, 2015: 17).

Employer engagement and job quality – developing a more productive partnership?

To date, where there has been a focus of ALMP around job quality, it has been almost exclusively aligned to the idea of in-work progression. However, even within this partial view of job quality there remain significant unanswered questions. The first is around the balance between the extent to which progression is pursued via either the internal or the external labour market. This raises a whole set of issues for policy design and for employer engagement. If targeting progression through the internal labour market, this has important implications for the initial placement into jobs of those moving into employment, as rates of wage progression have distinct sectoral patterns and are comparatively low in many low-paid sectors which employ many of those entering work – such as retail, hospitality and care (Lee et al 2018). Furthermore, where the logics of employer engagement

are driven by short-term labour demand needs, this raises important questions about the ability of employment service providers to engage employers with a progression agenda (Sissons and Green, 2017). While a progression approach focused on the external labour market potentially exacerbates a high turnover ALMP model, it also opens-up potentially difficult conversations with employers about encouraging staff to move to different job opportunities. From a policy perspective, relatively little is known about how to design individual support for progression: what should be the timing of interventions, where are the critical junctures, and over what period is the process viewed?

While recent developments provide some initial progress around linking ALMP to employment progression, there are a range of challenges to establishing a wider link between ALMP and a good work agenda. There is little evidence from UK ALMP that public employment services can exert a strong influence on employer practices. Fundamentally the relationship has tended to be rooted in the need for JCP to serve employer needs. In doing so the work-first system, with its emphasis on applying to, and accepting, available opportunities (which may or may not be a good match and/or offer opportunities for advancement), provides a steady flow of available labour. With employers finding few barriers to recruiting and meeting labour supply needs, there is often little impetus for them to develop good work practices in order to secure engagement and recruitment from ALMP.

Recent evidence has demonstrated the tensions which exist within JCP advisory roles between an agenda which purports to seek to engender personalisation and progression, and one which remains fundamentally rooted in 'work-first', basic employability and a prioritisation of the speed of job-entry, which reinforces the historical patterns of matching into low-wage jobs (Berry, 2014; Johnson et al, 2021). This takes us to the core of the issue in seeking to better link ALMP with improved job quality outcomes. Firstly, within a system where the 'work-first' approach is embedded, the employer engagement function tends to remain a relationship with large employers of low-paid workers and, although the supply-side emphasis may shift to sustainability and progression, actions on the demand-side remain muted. This can be seen in the recent In-Work Progression Commission report, which - although encouraging in some respects around the identification of wider barriers - does not resolve the issue of how to link the unemployed into better jobs. The question remains then, whether in terms of more closely aligning ALMP and job quality, a more career-first focus is needed (Fuertes et al, 2021). The second major issue is the isolation of ALMP from wider debates on good work. ALMP is largely developed and implemented in a way which is not well integrated with other important policy domains (such as skills and economic development). One area where there is some early indication that ALMP is being more integrated is in the context of actions taking place at city and regional level where cities have taken a wider approach to good work and sought to connect this up to devolved activities (such as pilot programmes) which function as part of the ALMP framework (Hughes et al, forthcoming). An example of this is the work in Manchester, which includes both devolved elements of ALMP and a wider good work agenda focused on a Good Employment Charter for the City. There are also somewhat different developments in the devolved nations (as detailed earlier), perhaps particularly Scotland, where issues of good work or fair work have tended to come more to the fore. However, all these activities remain somewhat experimental, and for the most part there is still a lack of clarity of how ALMP might be better integrated to a good jobs agenda.

7) Assessment and discussion

This chapter has examined the development of ALMP in the UK in the context of a growing interest in the idea of good work. Until relatively recently, the predominant focus of UK employment policy was bound-up with a concern for employment quantity (with less consideration of the quality of work). ALMP has developed around a more active approach to out-of-work benefit claimants, increasing use of mandation and an over-arching work-first emphasis. This was aligned with the wider national focus on employment quantity; and the availability of jobseekers to meet entry-level needs was associated with little upwards pressure on job quality. Employer engagement with JCP has been typically characterised by employers seeking a large and steady supply of low-paid labour.

More recently there has been a noticeable shift in ALMP of relevance to job quality. This shift is towards an increasing emphasis on issues of employment sustainability and in-work progression. Successive ALMP approaches have moved towards this, with the UC having a specific progression aim for the first time (while at the same time opening-up a new frontier in activation). This shift can also be seen in the development of a new In-Work Progression Commission, which is beginning to consider approaches to wider barriers to progression. However, this new approach remains rooted in work-first and links to the demand-side are at present under-developed. As such, although the delivery intent is that individuals are able to access in-work progression, the ALMP framework remains to a large extent disconnected from wider policy debates about good work.

While the question of how ALMP might support improved job quality has largely not featured in policy debates in the UK, there is growing scope to ask how elements of the current context might allow ALMP to capitalise on some upwards pressures on job quality. In particular, recent data demonstrate significant and growing labour and skills shortages in parts of the UK economy, which may encourage employers to improve aspects of terms and conditions in order to fill these. This is set alongside other shortages in some economic sectors induced by labour changes resulting from the Brexit referendum and the shock of the Covid-19 pandemic (Costa Dias et al., 2020). There are also a number of other regional and local factors, which are opening-up new directions around job quality, including in entry-level roles. Some examples of these opportunities are now discussed.

A specific example of how the prevailing labour market situation opens up opportunities for policy is provided by the role of anchor institutions in the employment policy domain. The term 'anchor institution' describes an organisation that has an important presence in a local area. This is usually through a combination of firstly (and of foremost importance here) being a large-scale employer in an area providing a range of job roles, and secondly being a large-scale purchaser of goods and services. Importantly from a place-based perspective, anchor institutions tend to be spatially immobile. Examples of anchor institutions include local authorities, universities, hospitals, large local businesses and housing associations. All of these organisations have a stake in the local economy. Universities, for example, are placing greater emphasis on their civic role (UPP Foundation Civic University Commission, 2019), while hospitals are exploring how they can use their financial, employment and other assets to support local economies and tackle social determinants of health (Vize, 2019). From an employment and workforce development perspective, hospitals are increasingly active in a range of anchor institution workforce strategies. Reed et al. (2019) note that

such strategies typically fall into one of three categories: first, targeting positions for local people – including through creating pre-employment programmes, work placements and volunteering opportunities; second, building the future workforce, notably through apprenticeships; and third ‘good work’ initiatives, including fair pay and employment conditions and professional development and career progression. The content of these three categories chimes with the issues of employer engagement in ALMP, in-work progression and ‘good work’ discussed above.

In practice, successful implementation of such workforce strategies requires good knowledge of the local area and the characteristics of the local labour force, together with strong local partnership working. An example of how these ingredients can combine in practice comes from the Birmingham Anchor Network (comprising seven anchor institutions in Birmingham, UK) ‘Hospitality to Health’ project. This pilot project brought together two anchor institutions to combine their expertise and work together on a specific action. In the case of this project, the Pioneer Housing Group was concerned about residents in deprived neighbourhoods losing jobs in the hospitality sector during the Covid-19 pandemic. Although there was an awareness of job opportunities in the National Health Service (NHS), prior to working together on the project, staff at Pioneer were unfamiliar with the language, processes and pathways into the NHS. Likewise, before working with the Pioneer Housing Group on the project, the local NHS Trust was unfamiliar with delivering recruitment initiatives targeted at particular neighbourhoods (Parke, 2021). As a result of this pilot project, the NHS Trust is reviewing its employment processes to make them more accessible to people outside the NHS, while the Pioneer Housing Group have started working with other major employers.

This project shows what can be done to open up employment opportunities in a large internal labour market with prospects for progression by organisations working in partnership. Although the public employment services (i.e. Jobcentre Plus) were not an active partner in this particular project, some of the beneficiaries were benefit claimants. This shows that local stakeholders other than public employment services can take the initiative in developing new projects and programmes without direct public employment services involvement. However, it is important that Jobcentre Plus and other employment advisors have knowledge of such initiatives and, where applicable, offer support to similar ones. There is a window of opportunity to capitalise on the activities of anchor institutions and local recovery partnerships. Moreover, it is notable that in the light of the spotlight shone during the Covid-19 pandemic on many relatively low-paid essential jobs, many recovery strategies include an imperative to create and/or promote quality jobs alongside tackling unemployment (Green et al., 2021b).

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