A LOST GENERATION?

TEN YEARS ON FROM THE GREAT RECESSION

Edited by Ria Bernard and Rob Newbery
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A Lost Generation? Ten Years on from the Great Recession

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info@youngfabians.org.uk
www.youngfabians.org.uk

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London, UK, SW1H 9EU
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A LOST GENERATION? TEN YEARS ON FROM THE GREAT RECESSION

Report and summary of discussions

Edited by Ria Bernard and Rob Newbery

with contributions from Young Fabian Networks

and members from across the UK.
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A LOST GENERATION?

TEN YEARS ON FROM THE GREAT RECESSION

EDITED BY RIA BERNARD AND ROB NEWBERY
The Editors wish to thank all Young Fabian members who attended the Summer Open Day, whose comments, ideas and feedback inspired this Report. Nonetheless, it should be made clear that not all views expressed in this report will be shared by all attendees. The list below is based upon those who RSVP’d online for the event; our apologies to anyone not listed, and to any who may be included in error.

Morenike Adeleke
Victoria Akintomide
Razak Ali
Leon Alleyne-McLaughlin
Husain alshabib
Olivia Bennett
Ria Bernard
Juliana Boateng
Fiona Brown
Alex Cheney
Alana Finn
Noah Froud
Alex Georgiou
Tristan Grove
Nathaniel Haley
Mohamed Hammeda
James Hargreaves
Simon Jeal
Elliot Jones
Eden Kruh-Atar
Felix Levay
Alex McIntyre
Mark Mcvitie
Rob Newbery
Geraldine Patrick
Hannah Phillips
Muhammed Ravat
Anna Rehfisch
Marley Robinson
Adam Mohd Said
Carolina Saludes
Imogen Shaw
Thomas Smith
Deeba Syed
Mhairi Tordoff
Stella Tsantekidou
Magdalena Tsvetanova
Paddy Vishani
Dan Wern
Ben West
Oliver White
Sam Willis
INTRODUCTION

Ria Bernard
National Chair, Young Fabians

Over the summer, the Young Fabians hosted two events focusing on the question of whether Millennials are destined to be the ‘Lost Generation’. This topical issue had received much attention following research undertaken by the Resolution Foundation and other think tanks in the months preceding this event.

In May 2018, we hosted our fringe event on this topic at Fabian Society Summer Conference, where we were joined by former Chief Executive of the Young Foundation, Baroness Glenys Thornton; Fahmida Rahman, researcher at the Resolution Foundation; and Reuben Young, Director of PricedOut. Over the course of this event, there was much focus on the issues of housing, pensions and job security for the Millennials in contrast to the Baby Boomers.

The consequences of the global financial crash and the slow recovery of the British economy has seen Millennials bear the brunt of the global economic recession and face long-term economic and social damage to their prospects, opportunities and futures. We are not focusing broadly on intergenerational inequality, but rather the concept that Millennials form the foundation blocks for the rebuilding of our...
economy and society as a whole. Furthermore, while subsequent generations will build on this and prosper, the potential of the Millennials will be lost.

Following a time of climbing living standards, significant social mobility, a substantial fall in child poverty and a narrowing of the gap between those with the least and those with the most, young people were raised to believe that if they worked hard, achieved at school and grabbed opportunities, they could succeed. Ten years on from the 2008 financial crash that future of opportunities looks quite different to what was anticipated.

They say the generation after the Great War was a Lost Generation who had to grow up too fast and were part of the re-building, rather than given an opportunity to reach their own potential. Following the Great Recession, will Millennials provide the foundations that enable future generations to prosper while the potential of their own will be lost?

Following the Fabian Society Conference fringe, we hosted our policy Open Day on 15th July 2018 – a day we incidentally shared with the World Cup Final! Over the course of the day, members engaged in a variety of workshops, policy network sessions and heard from keynote speakers to explore this concept of a ‘Lost Generation’. Our Policy Networks ran superb sessions from the Health Network’s workshop on ‘the impact of the NHS funding crisis on sexual health services’ to the joint session on ‘the 21st century workplace: workers’ rights, trade unions and the GIG economy’ run by the Law and Economy & Finance Networks. Members had a chance to feed into the Policy Impact Strategy being developed by our Parliamentary Liaison, Deeba Syed, and Comms Network Chair, Tristan Grove, during their training workshop. We were delighted to be joined by guest speaker, Director of Generation Rent, Dan Wilson-Craw, to explore the specific challenges that the housing crisis poses for Millennials to finish off the day.

During the Young Fabian Open Day, members attempted to address the following questions:

- To what extent can the generation classed the Millennials be deemed the Lost Generation?
• How do the challenges faced by Millennials in relation to getting on the property ladder, underemployment, education-skills mismatch, changes to workers’ rights and pensions contribute to the idea that this will be the Lost Generation?
• If this was the generation who were the most likely to get to university and continue the social and economic upward trends of the Baby Boomers, why is this the generation unlikely to meet, let alone succeed, the social position of their parents?

Within this report you will find the contributions made by our members during that Open Day, as well as some of the recommendations posited throughout the day which aimed to tackle the challenges faced by Millennials.

I am delighted to release this report following the second of our interactive policy Open Days this year, which comprises the contributions of our members. Another example of our commitment to facilitate member engagement in policy development within the Young Fabians. I hope that this report provides an insight into the depth of discussion and range of ideas that came out of our summer Open Day – and it encourages you to get involved in further policy dialogue.

Ria Bernard
National Chair, Young Fabians
POLICY DISCUSSION
ARE MILLENNIALS DESTINED TO BE THE LOST GENERATION?

THE FUTURE OF EMPLOYMENT FOR MILLENNIALS

Based on the views of young members that arose during the workshop session.

Edited by Ria Bernard, Young Fabian Chair

Before we begin, it is important to clarify our definitions. It should be noted that typically ‘Millennials’ refers to a cluster of generations born between the 1980s and 2000 while ‘Baby Boomers’ are typically the generations born between 1946 and 1965.

Many of the young people who make up the Millennials were entering adulthood around 2008 as the Global Financial Crash hit. The long-term impact on opportunities, aspirations and job security is only now being truly recognised. As ambitious 20- and 30-somethings face an employment market of limited job security, erosion of employment rights and increasing competition for jobs, we look in greater detail at the challenges facing this ‘lost generation’ in terms of employment.

There has been a systematic shift in the jobs market, whereby we are looking ahead to a future of automation that makes the skills of Millennials increasing redundant in a world of technology and artificial intelligence. As skilled jobs become the responsibility of machines and robots, we need to look to how we ensure that
our work-age population possess the skills and training to compete in the global market. Will some jobs be spared from automation? Initially, it was thought they would but the advances in technology indicate that many skilled specialisms will no longer require a human being to perform them. From supermarket checkouts and driverless trains to online education and medical procedures. We need to be ensuring that the generations comprising the Millennials possess the skills and knowledge to take on the jobs of the future.

Job creation is a challenge for our traditional trade unions as it is imperative that the rights we have fought for over the centuries continue to be upheld. Fairness in pay, working hours and security remain concerns for the jobs to be created in this new world. The world of work has a variety of challenges to come as we consider how we protect and skill-up the population to compete in a globalised market; support small businesses and maintain our position as a worldwide financial capital in the context of Brexit. Expanding industrial strategy to ensure that infrastructure is put in place outside of the Capital would certainly help to distribute the wealth and the state’s resources across the UK rather than London being a hub of increasing competition and drain on resources.

As families have dispersed across the country (and the world) in search of work and opportunities, challenges arise with regard to infrastructure, industrial strategy and family support structures. It is not a new problem but flexible working is an issue poignant to the Millennials, raised in a world of equal opportunity in training, education and career options. Changes in society’s cultural values as well as economic necessity, see many couples working while simultaneously facing extortionate childcare fees. As extended family may no longer live nearby, Millennials are often juggling childcare arrangements with their job responsibilities.

Strengthening our trade unions through increasing representation across a range of sectors and improving membership amongst young generations appears to be a potential solution to the challenges facing Millennials. It is often remarked on that younger people are less engaged in their trade unions, with many remarking they are unsure what the role or benefit of the trade unions are. This is an issue explored later in this report.
Policy priorities generated during this discussion:

• One suggestion by our members was to introduce auto-enrolment of trade unions when young people begin work to promote the value of trade unions to their members and to generate collective bargaining power.
• Incentivise trade union activity in the private as well as the public sector to increase representation, activity and collective bargaining
• Create training and education programmes that skill-up young adults for the future to compete globally
• Industrial strategy that tackles the regional divides in terms of employment opportunities, e.g. regional business banks.
Access to high quality, affordable housing is an issue raised time and again in relation to intergenerational inequality. It is now estimated that Millennials will have to wait, on average, until they are 38 years of age to buy their first home. In addition, issues around accountability, a fair rental market and access to housing across the country are regularly raised. During our Open Day, members discussed and debated the extent to which Millennials are likely to be the Lost Generation when it comes to the housing market, and how we could address the challenges locking young people out of the housing market and disadvantaging them in the private rental sector.

It is broadly accepted that the imbalance between supply and demand is at the core of the housing crisis in the UK. The selling off of social housing and failure to replace stock has had a catastrophic effect on access to housing particularly at a time when rents and house prices are soaring. Councils are struggling to replace the social housing to meet the demands of their communities as they are unable
to afford the land on which to build. However, when building new homes, there needs to be greater emphasis on quality control as well as quantity.

Alongside quality comes accountability – something that can be difficult to secure in today’s housing market. In the private rental sector, it can be challenging for tenants to feel secure if they do complain about the conditions of their accommodation as many are on short-term contracts with few restrictions on rent increases. Private renters can find it difficult to contact their local council regarding issues and even then it can take a long time for an issue to be investigated and tackled. Those with limited incomes are often unable to log their complaints due to the impact of limited legal aid. It can feel as though landlords hold all the control despite some attempts to curb this, such as banning agency fees. The widening gap between supply and demand often means that those who know their rights and fight for them often lose out as landlords have plenty more options in terms of tenants.

Legal aid was torn apart by both the Coalition and the succeeding Conservative government and has caused a significant knock-on effect that has predominately hit students and young people. When the quality of housing fails to meet the legal requirements or when landlords abuse their power, it is often the young, the old and the vulnerable who have limited capacity to enforce their rights.

Social mobility and financial security are often bound up with home ownership in the UK, which is at odds with other European countries. Many of the older generations will report that the ultimate goal in their youth was to own their home – something that has benefited many Baby Boomers as the value of housing stock has risen drastically. Consequently, housing is often seen as an investment rather than primarily as a place to live. In contrast, much of central Europe focuses more on renting, with countries such as Germany illustrating the benefits in terms of greater rental rights. Interestingly, the UK has not adopted long term renting, which has an impact on stability and security. While this is something that the Labour Party is looking at, we may need to look at the culture of home ownership and how this intertwines with our economy.

It should be acknowledged that there is a regional divide in terms of the supply-demand issue. London faces significant problems around overcrowding, soaring rents and poor quality accommodation. This is exacerbated by empty houses,
foreign and speculative investment, buy-to-let schemes and absentee landlords who sit on property waiting for the market value to increase. However, in other areas of the country the demand for housing is low and communities can face surplus housing due to the poor economy of the area. This has particular consequences for Millennials when taken in the context of the regional inequality in employment opportunities. The failure to invest in infrastructure across the country has meant that many young people are forced to move away from their local communities, where they may be able to afford a property, in search of work. Consequently, perhaps an initiative to explore is property building alongside creation of infrastructure within a regional area. People need somewhere to live if they are to work there. Equally, people can’t afford to live where they cannot work.

The definition for affordable homes is 80% of market rent, this is not in any way affordable for many young people, in particular first time buyers, unless they get financial backing from their parents. Shared ownership has previously been helpful in supporting young people onto the housing market. However, this scheme does not solve the sky-rocketing private rents.

Providing quality, affordable housing to Millennials in both the private rental and home ownership sectors are critical to facilitating the financial security for their future. During our workshop, some recommendations were floated to address this need.

**Recommendations suggested by members:**

- Consideration of mandatory longer term leases that ensure landlords are unable to raise rents by more than a specified amount over a period of time
- Mass house building programme that aims to build the houses that we need – affordable in relation to average salaries and a combination of first time buyer as well as family homes
- A Land Value Tax would help local councils fund more house building
- Looking to Berlin and New York, a temporary rent cap could be introduced while we go through the process of building new homes to try and keep up with capacity
- Empowering councils and tenants to uphold tenancy rights
THE 21ST CENTURY WORKPLACE: THE GIG ECONOMY & TRADE UNIONS

This article is based on the workshop session run jointly by Stella Tsantekidou, Law Network Chair, and Mark Whittaker, Economy & Finance Network Chair.

Young Fabian Economy & Finance and Law Networks

For too many workers, household income, security of employment and terms of work are being eroded. There are now 1.7 million zero-hours contracts in Britain; and people employed under these contracts are significantly more likely to be young. While these arrangements provide flexibility to some workers, for many it is just a poor excuse to convert employees into agency staff or ‘external’ contractors who are still tied to a company, but without employees’ guaranteed hours or rights. Behind the glossy software and ‘innovative’ branding, business models based on zero-hours contracts and the ‘platform economy’ too often look like 19th Century forms of precariousness, whereby dock and factory workers had to queue up every morning without pay to find out if they would be selected to work that day.

This was the context in which trade unions emerged to fight for workers’ rights. Today, employees in highly unionised professions still tend to earn more. However,
British union membership has now fallen to an all-time low, from 13 million in 1979 to 6.2 million in 2018. What’s more, most unionised workers are now in the public sector and the ‘salariat’, not in the GIG economy ‘precariat’ – to borrow from Guy Standing’s vision of the 21st Century class structure.

Trade unions have faced much more restrictive legislation since 1979, but also a real challenge to prove their continued relevance. In our Lost Generation session, we examined how established unions are doing so through landmark legal cases that are reshaping the 21st Century workplace.

When Parliament is not moving fast enough it is often legal activism that brings forward change. As the GIG economy flourishes and expands the old definitions of ‘workers’ and ‘workers’ rights’ no longer fit everyone. In the absence of a satisfying definition, the new GIG economy workers have been left vulnerable. Companies in the platform economy have been hailed as the future but their business models are often based on a legal grey area: self-employed workers whose independence is only found in their name. Such companies employ armies of expensive lawyers who chomp through their employment offers and contracts; adding lists of clauses as long as their legal fees. Their aim is to ensure those who give rides to their customers and who deliver their clients’ take outs cannot have a right to benefits; often they try to prevent their right to unionise as well. However, if you take a look on the recruitment advertising of any of these companies, candidates are invited to become a part of a ‘team’, asked to wear and bear branded clothing and accessories, abide by a highly controlled admin system and are often forbidden to work for competitors. This was the case with Addison Lee, whose contracts were deemed, by an employment judge, to be “designed to frighten” workers off “from litigating”. This suggests that these companies know the risk of portraying the claimant as self-employed.

After calls from the Law Society and trade unions, the Government is expected to re-define what it means to be self-employed. This, however, is not enough. Self-employed workers, whatever the limits of their status, should be allowed and encouraged to be part of unions such as the Independent Workers Union of Great Britain, who will back them up in a legal battle between unequals, and who will not be scared off by legalese documents designed to intimidate. On the basis of Article 11 of the European Convention on Human Rights, even those who are
legally deemed to be self-employed have the right to freedom of assembly and association. This means you can’t keep workers from unionising, no matter how tightly drafted their contracts.

We also discussed how a movement of challenger unions are taking new approaches, and successfully unionising some of the most precarious professions in Britain and the USA. Today, trade unions are strong in declining sectors, and weak in growing sectors. Unions must grow in new sectors, or risk oblivion – and the loss of a powerful champion for the lost generation’s rights in the workplace.

An issue-led approach could achieve this. An issue-led approach is where unions focus on issues across the economy as they arise, rather than only issues which fit into existing members and sectors. This spreads the word of Unionism to take on more battles and therefore reach more workers.

There are several examples of this being successfully implemented – mainly by new, small, radical unions such as the US Tech Workers Coalition. One of Britain’s most striking grassroots examples emerged in 2014 out of 100 Wood Street, where JP Morgan Chase and others have offices. This was where United Voices of the World was founded and rapidly unionised cleaners in the face of a 50% reduction in staff with no reduction in workload. The cleaners went on a 61-day strike against the plans – and won. United Voices of the World is growing quickly beyond 100 Wood Street, and mostly comprises workers in London’s most outsourced industries (including security and hospitality).

There are examples of this working outside these newer Unions too. The recent McStrikes, which staff from five McDonald’s branches participated in, were led by the 111 year old Bakers, Food and Allied Workers’ Union. Similarly, the cross-sectorial, Issue-Led ‘$15 and a Union’ campaign in the US was led by the 97 year old Service Employees International Union.

The issue around increasingly unrepresented workers – particularly amongst young people – is a threat to every young person entering the world of work. The steady erosion of such hard-fought for workers’ rights means that unless this intergenerational and industrial divide is addressed, young people are likely to lack the protections that come with employment rights.
The 2012 Health & Social Care Act had significant impacts on the way sexual health services were funded and delivered. The Act meant that for the first time since 1974 the responsibility for public health was removed from the NHS and back to local government. These changes have had a disproportionate impact on young people, who rely on sexual health clinics to access contraception and treatment of sexually transmitted infections (STIs). It is for these reasons the Young Fabians Health Network decided to host a session on this topic for the Young Fabian’s Summer Open Day.

The funding impact of moving sexual health services to local government has had a significant affect on Millennials. On average, councils in England have had their budgets cut by 26% between 2009-10 and 2016-17. While the NHS has recently been promised a real terms multi-year increase of 3.4% –which is not enough to improve services – the core public health grant spend per head will have fallen
by 17% between 2014/15 to 2018/19. Sexual health services, the second largest spend in public health budgets, will see cuts of 18% during this period.

But what impact have these cuts had on sexual health services and what does this mean for our health? Overall STI rates seem to be falling (4% in 2015-16) however, there have been surges in diagnoses for certain STIs such as gonorrhoea and syphilis (11% and 20% 2014-15 respectively).

The cuts to public health budgets have also forced councils to unwillingly close sexual health clinics. Since 2012 across Lambeth and Southwark 3 out of 6 clinics have been closed. This has meant that clinics that do remain open have had to substantially reduce their opening hours, which has a knock-on effect in terms of the increasing demand in the context of limited supply.

Access to sexual health services includes accessing local pharmacies. Fewer pharmacies are now signing up to provide free products, such as the morning after pill or contraception. This has forced young people to pay for services they should be able to access for free. The closure or restricted opening times of clinics have had a disproportionate impact on those from deprived communities and more rural areas.

The closure of clinics has had an indirect impact on the NHS too, including increased demand for GP services and confusion over who should pay for treatments. For instance, GP services are often unable to offer the same extensive range of contraception options as sexual health clinics, such as long-acting reversible contraception. Additionally, they are not provided with the same training to deliver advice on sexual health as specialised staff at sexual health clinics.

In the long term, the cuts to funding for sexual health services is likely to undermine the preventative successes of previous services including a rise in STIs and teenage pregnancy rates. Therefore, it is recommended that clear guidance to NHS and local authority commissioners is provided on the value of these services. In addition, increased training for healthcare professionals on sexual health and contraception, as well as a need to mandate more sexual health services and to address local variation in services needs to be placed back on the political agenda.
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TEN YEARS ON FROM THE GREAT RECESSION

The consequences of the 2008 global financial crash and the slow recovery of the British economy has seen Millennials bear the brunt of the global economic recession and face long-term economic and social damage to their prospects, opportunities and futures.

It is said that the generation after the Great War was a Lost Generation who had to grow up too fast and were part of the re-building, rather than given an opportunity to reach their own potential. Following the Great Recession, will Millennials provide the foundations that enable future generations to prosper while the potential of their own will be lost?

This report comprises contributions from our members following the Fabian Society Summer Conference fringe and policy Open Day in July 2018, in answer to the question ‘Are Millennials destined to be a ‘Lost Generation’?’

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