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**Notes on the Conference: Inclusive Labour Market: Exploring Jobretention, rotation and social dialogue**

Professor David Etherington and Dr Duncan Adam

**Purpose of the Conference**

Both Staffordshire University and ERSA have been exploring models of labour market policy which are inclusive and democratic. The Job retention rotation model promoted by the Danish Government and trade unions has had a great deal of success in engaging unemployed/ disadvantaged groups with employment and at the same time providing unskilled workers opportunities to participate in vocational training. The model enables employees to be released from work to undertake study, by replacing them with substitutes who have been unemployed. The unemployed participants receive pre-employment support and mentoring as part of the scheme. Through this approach, those otherwise excluded from the workforce, are given a unique opportunity for paid work experience and vocational training. Employers benefit because production/services continues while staff are freed up to develop their skills.

This model has been mainstreamed in some European countries, promoted by the European Union, and successfully piloted in Scotland by the Workers Education Association. An essential ingredient of the JR model is the role of social dialogue and the bringing together of relevant labour market partners, including trade unions and worker representatives. For more information on the Danish approach see

<https://ersa.org.uk/news/policy-briefing-job-guarantee-and-rotation-a-way-towards-an-inclusive-labour-market/>

The main aim of the Conference was to focus on solutions to poverty and inequality by considering the possibilities of initially piloting such an initiative in the UK, possibly in the Stoke/North Staffordshire area. Previous reports by Staffordshire have drawn attention to deep seated in work and out of work poverty (see <https://eprints.staffs.ac.uk/7621/> ) where a large proportion of working age adults are either excluded from the labour market or in low paid/skills employment. A key focus is also to assess how trade unions/civil society organisations can play a greater role, along with other stakeholders within the UK employment and skills system.

**Summary of presentations**

**Professor Martin Jones (VC) Staffordshire University**

Professor Jones welcomed attendees to the conference. Noted 5 key areas for policy to address.

1. Links between training, skills and productivity
2. The stop / go skills shortage (issues of lagged effects)
3. Inactivity in the labour market
4. Representation and inclusivity
5. Combined and uneven development (inequality)

Martin has a long-standing research record on labour markets and inclusion and in particular in collaboration with David Etherington on jobrotation.

See <https://www.fit-for-purpose.org/recent-stories/guest-blog-from-professor-martin-jones-vice-chancellor-andchief-executive-of-staffordshire-university>

**Professor David Etherington, Professor of Local and Regional Economic Development, Staffordshire University**

**Job retention and social dialogue: Lessons from Denmark**

The presentation focussed on the Danish model of job rotation / job retention, and considered how this model might be applied in the UK. The different institutional and political context was noted. There is a greater emphasis on pre-employment support in Denmark. Denmark experienced much less severe austerity compared with the UK. Comprehensive childcare system in place, health spending growing in real terms.

Denmark’s jobcentres are located in the local authorities. Labour market planning and intelligence undertaken at regional level, and crucially social partnership involvement – employers and trade union. Vocational training organisations running skills programmes at regional level managed by the social partners. Therefore there are **questions of scale and of representation**.

Job retention / rotation is a subsidised scheme enables employees to secure release from work for purposes of training (gaining higher or different qualifications). They are replaced by unemployed substitutes who receive basic work training.

* Employees benefit from training and progression.
* Unemployed participants benefit from training and mentoring
* For employers the scheme can help address skills shortages

David identified 4 key lessons from the Danish experience

1. Austerity is a barrier to inclusion- need to have a viable safety net and sustainable funding in welfare/health and skills
2. Local government is key to an inclusive labour market
3. Importance of social dialogue and representational structures
4. Key focus on employment support as opposed to conditionality

Questions from participants

* Have there been any pilots outside the UK? And if so, what are the lessons from these pilots. Question of the problem of policy transfer.
* How much do UK unions know about the welfare system? Are they aware of the changes to universal credit?
* If the scheme were to run in the UK, how could we encourage employers to participate?
* Denmark is different from UK. How can we (re)build a social democratic settlement in a country which has taken a neo-liberal route?
* What incentives are there for trade unions to engage in any process?

See <https://committees.parliament.uk/writtenevidence/111581/pdf/>

**Jill Rutter, Head of Programme and Policy, Learning and Work Institute**

**Which way now for employment support?**

The presentation provided an overview of evaluations of both DWP programmes and local level programmes, looking specifically at the issue of economic inactivity. Jill noted the current context. Relatively (i.e. historically) low rates of unemployment, but high rates of economic inactivity.

Economic inactivity a particular issue for younger people, those over 50, and people with health conditions or disabilities.

Increased levels of economic inactivity, plus the end of free movement of labour have led to a recruitment crisis in some sectors.

But work is also insecure. This is often framed as a skills issue.

Jill outlined several ways in which employment support can be better tailored to meet future challenges, including:

* Devolution to be used as an opportunity to re-imagine the job centre as a single point of contact for people seeking work or looking to progress in their careers
* Local / regional commissioning of services to create a more cohesive local system with stronger links to training providers. Example of the Coventry job hub.
* Looking at ways in which staff are rewarded and boosting the status of the employment advice profession
* Investing in an intensive person centred approach to support those furthest from the labour market

Questions and comments from participants included:

* The importance of legal support for disabled workers. Employment support may help, but needs to be augmented by access to legal advice.
* How can employers be supported to participate in these systems?
* Training providers and colleges must focus not only on skills but issues of apathy and low self-esteem
* Question on the validity of the employment figures. Are some of the economically inactive hidden unemployed?
* How can apprenticeships be integrated?

See <https://healthequals.org.uk/data_insights/work-income-and-health-a-powerful-and-reciprocal-relationship/>

**Dr Katy Jones, Research Fellow, Centre for Decent Work and Productivity, Manchester Metropolitan University**

**What role for employers?**

**Universal Credit and Employers: exploring the demand side of UK active labour market policy**

Katy presented findings from this recent ESRC project.

The project addressed 4 research questions

1. How is UK Active Labour Market Policy (ALMP) understood and experienced by employers?
2. How does ALMP impact on UK businesses, including how they recruit, retain and progress their staff?
3. How does the impact of ALMP on employers vary in different sectors?
4. How can the public employment service (Jobcentres) work effectively with employers, and lead to better outcomes for individuals and the wider economy?

Findings based on 124 semi-structured interviews (84 employers, 20 local stakeholders, 20 national stakeholders)

Key findings

* Employers critical of a work first approach. Would prefer to see a system which matched people more effectively based on skills, capabilities and circumstances, rather than just getting people into any job.
* Potential exists for JCP and other employment support advisors to encourage better quality employment, but any moves towards such an approach are in tension with the work-first strategy
* On the whole employers were sceptical about the extension of ALMP to Universal Credit (UC) claimants already in work, citing potential impacts on well-being, performance and organisational commitment
* The prevalence of a low cost flexible employment model operating in the UK means that more hours / and or higher paid work unlikely to be offered consistently
* Jobcentres have a poor image among employers, and employers are reluctant to engage with a system which they largely see as punitive
* Employers cited frustrations with the fragmented employment and skills provision on offer

Questions and comments from participants included:

* What is the rationale for having such a complicated system of provision?
* Sanctions are about disciplining the reserve army of labour
* Would a skills first agenda be more appropriate?

See <https://www.mmu.ac.uk/research/projects/universal-credit>

**Matt Pointon West Midlands TUC**

Matt explained his involvement and the development of the TUC-WMCA Skills Partnership. This is pioneering initiative between the union movement and the West Midlands Combined Authority which has recently been and getting out into the community to talk to ordinary working people about the benefits of being in a trade union.

Matt presented some reflections on the projects delivered via the Union Learning Fund (ULF) showing a film on the role of Unionlearn Reps in promoting learning in a college in Blackpool. The case study shows how Unionlearn Reps identify barriers to learning and the disadvantages created by them. An important starting point is that union learning is not based on a ‘deficit’ model which locates the problem of low skills with workers, but a ‘removing barriers’ model in which everyone can learn and develop and make a contribution.

<https://www.unionlearn.org.uk/blog/getting-community>

**Simon Harris, North Staffordshire and Stoke on Trent Citizens Advice**

Simon came to talk about the general approach taken by the CAB in relation to supporting people towards work.

[Note that this was more of a discussion, rather than a structured presentation. There were no slides to accompany the talk].

The CA approach is embodied by principles of inclusivity and ethos of working with people, rather than for people. This is a more relational type of engagement with those who seek out the CAB’s services.

CA work with anyone, but the following groups are more common:

* In poor financial circumstances
* In poor health
* Social housing tenants
* BAME
* Out of work / in poor quality work

The CAB undertake their work in the following manner:

* CA provide a **free service**. This means interactions are less transactional.
* The service is **confidential**, allowing them to build trust with those they are working with
* The service is **independent**, though it is sometimes mistaken for being part of government
* CA is **impartial**. It works for its clients.

In terms of employment support, Simon noted that ALMP promotes quick wins, moving people into any job. UC initially promised much more in the way of support into work, but these initial proposals were watered down. There is a landscape where UC claimants often do not know their rights at work. Employers too are often unsure and they too need better support.

General points and questions were raised including:

* What is the biggest frustration for UC claimants?

SH – People would like to progress, but the system means that they feel more secure where they are. Changes affect payments which can take weeks or months to catch up.

* What about people who don’t claim their entitlements? How do we reach them?

SH – Need to be more proactive in the approach to reach people.

* There is scope to do more in schools with advice around employment support, also to reach out to parents.

See <https://sottogether.vast.org.uk/citizens-advice-turning-down-the-heat-report-2-december-2022-update/>

**Alexandra Jones, Policy Manager – Gingerbread**

**The Single Parent Employment Challenge: Overview and Key Findings**

Alexandra presented findings from her research work which had the following aim:

To explore single parents’ experiences of the labour market and back to work support, as the UK emerged from COVID-19 restrictions

The research is based on a mixed methodology involving successful qualitative interviews with out of work single parents, plus analysis of Labour Force Survey data and Welfare at a Social Distance Survey data.

Key findings include:

* Single parent unemployment increasingly involuntary and lasting longer
* Flexibility in job roles is crucial for single parents, but difficult to secure. It is rarely mentioned in job adverts. Those who had managed to achieve flexibility largely did so through existing networks rather than formal recruitment opportunities
* Lone parents had often changed sector to find flexibility, moving into stop gap jobs. Progression was seen as being linked to full time work
* Formal childcare not often used due to lack of availability or cost.
* JCP services not seen as bespoke, rather geared towards low-skilled, entry level work
* JCP seen as applying pressure (to take any job)

Questions and comments from participants included:

* Women’s budget group has drawn attention to high childcare costs
* Have employers’ attitudes changed at all?

AJ: Increasing evidence of a two-tier approach. Some employers (e.g. Civil Service) are quite good, others are not.

* Improvements to childcare require system change and much greater state investment

<https://www.gingerbread.org.uk/our-work/policy-and-campaigns/research-publications/the-single-parent-employment-challenge-report/>

**Plenary Summary**

**Elizabeth Taylor CEO Employment Related Services Association (ERSA)**

##### Elizabeth briefly explained the role of ERSA which represents the employment support sector, which helps jobseekers find worthwhile jobs and achieve sustainable careers. ERSA’s 300+ members span the private, public and voluntary sectors, from multi-national businesses to charities and community enterprises.

##### In her summary of the Conference Elizabeth emphasised the importance of removing barriers to opportunities in relation to training and work. She acknowledged that some of the key themes of the Conference relating to for example funding cuts and the move to more restricted conditions on welfare were also part of the problem. She emphasised how the jobrotation model was a way forward in this respect because of its focus on an integrated approach and a proactive role for trade unions.

DE/DA, 8 November 2023